GUIDE TO GRANTS

Trinity Valley
COMMUNITY COLLEGE

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INTRODUCTION

GRANT LIFECYCLE

Funding Opportunities and Application Review/submission

This phase represents the beginning of the grant lifecycle, which includes announcing opportunities, submitting applications, and reviewing applications.

1. Identification of Funding Opportunity
2. Applying for Grants

Award Decisions and Notifications

The Award Phase begins once the funding agency completes the application review process. The final award decisions rest solely in the hands of the federal agency staff, who have fiduciary responsibility and legal authority to enter binding agreements. Federal staff review and make award recommendations based on the programmatic and financial reviews of the applications. These recommendations are reviewed by a series of levels in the agencies to ensure high-quality, fair, and unbiased decisions.

1. Receiving Notification of Award
2. Approval and Acceptance of Grant

Implementation and Management

This phase comprises a significant amount of work throughout the award dates, which includes implementing the grant, reporting progress, and completing the closeout requirements. The federal agency that awards you is also there to assist and ensure you or your organization complies with the grant terms and conditions.

1. Grant Kickoff Meeting
2. Establishing the Budget
3. Expending Grant Funds
4. Program Reporting

Closeout

The grant process ends in the closeout phase, and final financial and programmatic reports are submitted.

1. Evaluation
2. Records Retention

LAWS, REGULATIONS AND PROCEDURES GOVERNING GRANTS

To be successful, a grant application must fully conform to all the conditions stated or referenced in the funding agency's invitation for applications, often referred to as a Request for Proposals (RFP), Request for Applications (RFA), or Notice of Funding Opportunity (NOFA).

All grant-funded projects and programs must be managed in full compliance with the terms and conditions stated or referenced in the award notice and the applicable college policies and rules. The following are the principal sources for those requirements.

1. **Board Policy**
   The policies and procedures governing all Trinity Valley Community College (TVCC) activities can be found at — TVCC Board Policy. These include activities required for proper grant management, such as financial transactions, purchasing, personnel, property management, staff travel, record-keeping, etc. TVCC policies and procedures specifically relating to grants are included at CAM. TVCC's Board of Trustees has approved these requirements and are binding on all faculty and staff.

2. **Federal Funding:**
   Rules and regulations governing federal grants and cooperative agreements awarded to TVCC are as follows. *These rules and regulations will also apply to federal funds provided to TVCC under any subgrants by a non-federal source (referred to as a "pass-through entity" or PTE). They will generally be referenced in the sub-agreement document.*

   a) **Statutes:** Statutes authorize the program and funding and take absolute priority over any regulation but often provide discretion to the federal agency head to provide greater detail concerning requirements and procedures.
   b) **Uniform Administrative Requirements, Cost Principles, and Audit Requirements:** These rules, found in the Code of Federal Regulations, were issued by the U.S. Office of Management and Budget (OMB) and apply to all federal grants and cooperative agreements unless amended and augmented by a specific federal agency's regulations. Throughout this manual, these rules are referred to as 2 CFR 200.
   c) **Federal Agency Supplemental Regulations:** These are issued by each federal agency and will contain regulations governing the agency's grant program and grants management (with OMB approval). These regulations can also be found at 2 CFR under Subtitle B (look for specific agency Chapters).
   d) **Grant RFP and Award Document:** Contains detailed requirements for a specific application and terms and conditions of a subsequent award (often by reference to one or more of the preceding references).

3. **State Funding:**
   The principal source for rules and regulations governing a state grant will be stated or referenced in the RFP inviting applications and the actual award document. For the State of Texas, the Texas Grant Management Standards (TxGMS) (December 2021) can be accessed at https://comptroller.texas.gov/purchasing/grant-management/. ***Note that each funding agency within a state may also have its own related or supplemental regulations or policy/procedure document.***

4. **Private Funding Sources**
   These sources do not publish "regulations' as such. Requirements for grant applications and management of awards will usually be included in the RFP or the award document itself. However, an organizational grants policies and procedure manual may be accessed at the organization's website.

Regardless of the funding source, college faculty and staff applying for grants or who receive an award should become familiar with the rules and regulations that govern TVCC and those of the funding source. When the rules are not in conflict, all laws must be followed. College faculty and staff must closely read and monitor program and agreement rules to ensure compliance when the funder's rule is stricter than the College policy.

ROLES AND RESPONSIBILITIES

The following lists the roles and authorities exercised at the various organizational levels.

1. **President:** The President serves as the college's Authorized Organizational Representative (AOR) on all grant applications, awards, and renewals. The college president is the only person who can sign grant-related documents that require the funding source's signature unless specifically delegated in writing to another College official.

2. **Vice President:** Within their areas of responsibility and consistent with established College policies and procedures, each Vice President provides overall executive oversight for grants performed in their area. This includes establishing required approval levels, internal reporting requirements, and controlling submissions to the President, the Board, and funding sources.

3. **Associate Vice-President (AVP), Dean, or Director:** Serves under a Vice President as a mid-level manager and provides administrative supervision for grant Project Directors. They may be designated as the Budget Head for a grant project or program for which they are responsible.

4. **Grants Manager:** The Grant Manager oversees the entire lifecycle of grants. They play a critical role in securing external funding by identifying suitable grant opportunities, crafting compelling proposals, and ensuring compliance with grantor requirements.

5. **Grant Project Director (GPD):** Sometimes referred to by the funding source as a Principal Investigator (PI), this position is responsible for the day-to-day implementation and management of a grant project or program. The GPD is responsible for budget development and implementation and for the timely initiation of all financial, personnel, purchasing, and other actions required for their project or program. The GPD will also oversee periodic progress evaluations and prepare and submit reports required by the College and the grant funding source. In the latter case, the President's approval may be required. ***Note: When multiple people work on the grant, one individual must be designated as the GPD.***

6. **Accounting Office:** The Grant Accountant monitors and maintains records of all grant expenditures, provides periodic financial reports to the GPD, and assists in correcting errors when identified. It also prepares, certifies, and submits financial reports and reimbursement requests.

7. **IT Services:** IT Services purchases all technology-related items. Upon receipt, they will tag and inventory all computers, tablets, and other related technology equipment purchases of $500 or more to ensure they comply with the minimum standards for network security.

8. **Inventory Control:** The Inventory Control department will tag a —The Inventory Control department tags and inventories all non-technology-related equipment purchases of $5,000 or more. They are also responsible for the disposition of equipment.

APPLY FOR GRANTS

IDENTIFICATION OF FUNDING OPPORTUNITY

Whenever a faculty or staff member (applicant) identifies a grant funding opportunity that interests them and for which they might like to apply, they must proceed as follows:

Proposal Review
Secure and carefully review a copy of the complete Request for Proposals (RFP) issued by the funding source. The proposal will explain why the project is needed, the intended outcomes, objectives, timelines, and responsibilities of the various implementers, how the project will be evaluated, and how the funds will be spent.

The proposal provides the framework for managing your project. Call or e-mail the funding source's contact person to resolve any questions concerning the RFP and program requirements.

Proposal Review Questions
1. What are the starting and ending dates of the grant award? Do they coincide with the timeline included in the proposal?
2. Which TVCC resources are needed to generate the proposal? What is being done now to meet that need?
3. How does this project fit into the overall TVCC environment? Is it part of an existing organizational unit or a separate entity? What other departments or colleges will it involve? If more than one college is involved, who are the contact people?
4. What results have been promised to the funding agency? How will you demonstrate that these results have been achieved?
5. What special populations (e.g., first-generation students, individuals with disabilities, unemployed, economically disadvantaged) will be served? How will participants be selected?
6. What personnel are authorized in the grant, and what are their responsibilities?
7. What timelines exist for activities? When do activities need to start and end?
8. What arrangements have been negotiated with outside organizations? What do these agreements mean? Do they need further clarification? Have the outside organizations been notified of the award? Will intergovernmental agreements or other contracts be necessary to implement the grant?
9. Do you understand all the technical jargon or particular language used in the proposal? If not, refer to the funding regulations or find out the practices in the profession before proceeding.
10. At what intervals are programmatic and fiscal reports required?
11. If you have additional questions about the project, many people can be helpful to you. The proposal writer and others involved in the writing can be beneficial in clarifying points, answering questions, and giving you background. Remember that all proposals have a mandatory maximum length, and it is impossible for the writing team to include everything in the proposal that you, as an implementer, might want to know.

INTENT TO APPLY

The applicant must discuss their interest in applying with their immediate supervisor and secure this critical preliminary approval before proceeding. If the project or program involves partners outside of the College or letters of support, contact these entities to ensure their support and willingness to promptly provide any needed information/documentation.

DEVELOPING THE GRANT APPLICATION

The time and effort involved in completing a viable grant application will depend primarily upon the demands and complexity of the RFP and the knowledge, experience, and resources of the designated grant writing team. The grant writing team should be selected by the individual seeking funds and must seek supervisor permission for everyone on the team. The team size will vary depending on the complexity of the grant and should include the Grant Project Director and the Grants Manager, others added, as necessary. **Contact the Grants Manager as soon as possible to streamline the application process.**

First, carefully read the RFP to ensure you know what is required. That includes non-substantive but critical requirements and restrictions such as page limitations, spacing, margins, and font size. Failure to adhere to these requirements can result in an application's rejection without review.

The following are the significant items that the grant-writing team will need to address. Each RFP may state or organize them differently. Strictly follow the RFP instructions.

1. **Forms:** These tend to be more numerous in RFPs (Request for Proposals) issued by government agencies. They may include a cover sheet with information about the applicant, certifications and assurances (usually to be signed by the AOR), budget forms, organizational profiles, and sometimes questionnaires. The Grants Manager can mainly complete these.

   - **Abstract:** This is a one-page summary of the proposed program or project. Content requirements can vary, so be sure to follow the RFP instructions.

   - **Program/Project Narrative:** This text describes your proposed project or program. It should follow the RFP directions, including the sequence specified. This will be the part that reviewers will read and score. The significant parts of the narrative usually are:

2. **Problem or Needs Statement:** This part tells (convinces) the agency why the grant is needed. Data should support it well and show that the applicant fully understands all aspects of the problem(s) or need(s) the grant will seek to address. This is where the applicant will demonstrate that the need for and purpose of the program or project are *evidence-based*.

3. **Goals:** This part clearly, succinctly, and measurably outlines what the applicant intends to accomplish by the end of grant performance. The applicant should be ambitious but not overreaching.

4. **Plan of Operation:** This part sets out the objectives and the activities you will implement to accomplish the goals, including timelines, outcomes, and responsibilities.

5. **Evaluation Plan:** This part clearly outlines how the program will be evaluated on an ongoing basis (formative) and at annual and end-of-grant periods (summative). The plan should include quantitative and qualitative measures compared to baselines usually identified in the problem or needs statement and the goals. The evaluation plan also identifies how data will be secured and maintained, who will be responsible for preparing and submitting reports, and the role and qualifications of an independent evaluator if one will be used.

6. **Budget and Budget Justification:** This part sets out the budget, sometimes in annual increments. The justification should demonstrate that all proposed costs are allowable (by the funding source), necessary (to complete the work), reasonable (as to cost, capabilities, and quantities), and fairly allocated in proportion to the benefits received by the grant project. Most RFPs for multiple-year applications will require a separate budget for each year. Some will need a single justification covering all years, while others require a separate justification for each year. Be sure to comply with the specific RFP requirement and be sure your numbers match throughout the application.

7. **Other:** This category includes, as required or otherwise appropriate and permitted, documents such as resumes and position descriptions for key staff, partnership agreements, letters of support, etc. Do not use attachments or appendices to surpass the narrative's page limit. If you do, these pages may be ignored or counted towards the page limit, causing a rejection for exceeding the allowable number of pages.

Data will be required to develop the application's problem or needs statement. Requests for data should be made from the Institutional Research (IR) department. These requests must be submitted as early as possible to ensure the requested data is provided promptly. The need for data should be discussed first with the Grant Manager, as it may already be available, having been secured for another grant application. Be sure to construct your data request to get the necessary information carefully.

Particularly with more extensive applications, the <u>team approach</u> is highly recommended. However, each team member must be clear about their role and the due dates for any assignments made to them.

Finally, plan to complete the application several days before its due date. Especially with electronic applications, unexpected glitches or delays in accessing the submission portal can occur. Failure to meet the due date and time will generally result in the rejection of the application without review, wasting a lot of time and effort.

The Grants Manager will complete the standard forms required by the RFP, freeing the developers to concentrate on the application's substantive parts.

APPLICATION SUBMISSION

Before submission to the funding agency, all applications must be reviewed by the Grants Manager before seeking final signatures from the president.

Many funders, including Federal agencies, require proposals to be prepared and submitted electronically. The RFP provides information about the required method of submission. The funding agency guidelines also include information about the necessary file format for documents submitted with the proposal.

1. **Paper:** When all approvals are in hand, only the President or other designated College signatory is authorized to sign the proposal on behalf of the College.

2. **Electronic:** Funding agencies that offer or mandate electronic proposal submission may use Grants.gov or their systems. Therefore, the specifics of submission protocols will vary. The final proposal should be sent to the Grant Manager. Upon final review and approval by the President's Staff, the Grant Manager will electronically submit the proposal/application to the sponsoring agency. The Grant Project Director will receive electronic confirmation of the submission.

Most funding agencies require a specific number of copies of the formal proposal and one or more signed copies to be submitted. The appropriate number of copies can be found in the funding agencies' guidelines.

Many funding agencies have specific deadlines for proposal submission. This information is available directly from the agency.

Note: All requests for proposals (RFP) have strict deadlines that cannot be modified; this information is always in the RFP application package obtainable from the funding agency.

AWARD DECISIONS AND NOTIFICATION

NOTICE OF AWARD

The notice (or letter) of the award is the official notice that assures the college the grant/contract has been funded. The notice will contain a grant number, project start and end date, and the amount awarded. It may also include any limitations imposed upon the grant, reporting requirements, and the name and phone number of the funding agency Program Officer overseeing the grant. A separate contract may follow the notice. If not, the proposal becomes the contract of performance.

Notice of Award Questions
1. What was the award amount? How does it differ from the original amount requested?
2. When is the project's start and end date? Does this differ from the original proposal?
3. What is the grant award number? (You must use this number in future reports to the funding agency.)
4. Did the notice and attachments contain any limitations on the grant or reporting requirements?
5. What is the name and phone number of the Program Officer?
6. What is the grant identification Catalog of Federal Domestic Assistance number (CFDA#)?
7. What type of award is this? (Federal, State, or Local)

GRANT KICKOFF MEETING

Within the first two weeks after notice of the award, the Grant Manager will coordinate an initial meeting with the Grant Coordinator, Grant Project Director, Grant Accountant, and any other related parties to review the following grant project details:

1. Specific requirements of the funding agency/organizations.
2. Timeline for project implementation and planned activities.
3. As applicable, issues, policies, and procedures about budget, including equipment and supply purchases, contracted services, consultants, and subcontracting.
4. Expectations regarding reporting requirements and due dates.
5. Establish the Budget for the grant.

IMPLEMENTATION AND MANAGEMENT

ALLOWABLE COSTS

All costs directly related to the grant, including salary, fringe benefits, stipends, travel, supplies, equipment, printing, marketing, and outreach, are eligible expenditures if included in the original budget approved by the funding agency.

Allowable expenditures are allocable, allowable, reasonable, and necessary for accomplishing the program's objectives as defined in the approved grant award for implementing activities.

There may be instances where the contract may have more restrictive terms than general funding guidelines (such as OMB Uniform Guidance or the TxGMS). When rules conflict, the most conservative rule applies to the spending limitation. TVCC's institutional policies and procedures must always be followed for grant purchases and contracts. For any expense that may be questionable, you should contact the Grant Manager before committing the funds.

UNALLOWABLE COSTS

The Request for Applications for each grant program may set out additional unallowable costs; however, some costs are never allowed:

1. Supplanting or using grant funds to replace existing federal, state, or local funds.
2. Inherently religious activities such as prayer, worship, religious instruction, or proselytization
3. Promotional gifts
4. Any salary or compensation for an elected or appointed city, county, or state government official
5. Land acquisition
6. Bad debts
7. Contributions or donations General government expenses Idle facilities
8. Contingency line items
9. Goods or services for personal use Mortgage payments
10. Compensation for federal personnel
11. Federally prohibited equipment, including weapons.
12. Lobbying Fundraising Corporate Formation
13. Entertainment
14. Fines and penalties Credit card fees, Passport charges
15. Tips
16. Alcoholic beverages and related costs
17. Advertising, except for hiring and contracting (does not include information sharing and promotion critical to program implementation)
18. Prepaid credit, debit, or store cards Membership dues for individuals
19. Vehicles or equipment for government agencies for general agency use.
20. Costs incurred outside the project period.

PERSONNEL COSTS

Hiring Grant-Funded Personnel

Often, grant projects will include new positions. If new employees are to be hired for the project, the Grant Project Director must follow the College's standard hiring process and procedures. Grant-funded personnel must be employed using the same procedures as non-grant personnel. Please consult with the appropriate human resources staff member for specific information regarding the college's policies and procedures involved in developing and posting a position and guidance on the selection and hiring process. ***See TVCC Policy DC(Local) for Employment Hiring Practices.***

The Grant Project Director is responsible for contacting Human Resources and the Grant Accountant regarding new hires and reassigned employees. A reassigned employee is an existing employee to be paid by a grant. The employee's salary and related benefits should be charged to the grant account. This requires a payroll change. Please get in touch with Human Resources to request any changes in payroll.

Note: It is the Grant Project Director's responsibility to notify Human Resources payroll changes no later than two weeks before the grant ends

The Grant Accountant's function in the payroll process is to verify valid start and end dates and ensure salaries are an allowable cost to the grant.   All grant salaries are contingent upon grant funding.

Tracking Time and Effort

Time and Effort reporting is a federally mandated process that confirms that the salaries and benefits charged to or pledged as a cost share to grant-funded projects are reasonable and reflect the actual work performed. TVCC must follow certain requirements to ensure a compliant Time and Effort reporting system.

1. **OMB 2 CFR 200** "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the federal government's cost principles for colleges and universities. It defines the allowable and allocable costs to Federal grants and other assistance programs. Salary, wage, and benefit charges to grant awards are allowable only if supported and documented by an acceptable time and effort report.

2. **OMB 2 CFR 200.430-431** sets the criteria for acceptable methods of charging salary, wages, and benefits to federal grants. It requires a payroll distribution system that allocates salary, wages, and benefits to the appropriate project accounts based on reliable personnel activity reports. The institution also must develop procedures to confirm how an individual's time should be charged for each grant award.

Institutional records are required to verify direct and indirect cost activities related to grant-funded projects. In addition to submitting regular semi-monthly timesheets, a Time & Effort Certification Form must be completed by each faculty member or staff member who charges or contributes time to a grant project. This form records the percentage of effort reported for a given period to substantiate the salaries and wages charged to the grant. It should be noted that effort documentation is not based on a 40-hour work week. Instead, effort is calculated based on 100% of activities. Efforts must be reported even if not paid from the grant budget.

The grant-funded effort must also be allowable activities defined in the grant contract. Inaccurately certifying an effort can be viewed as fraud.

The Grant Project Director is responsible for complying with federal regulations associated with the grant awarded and forwarding appropriate Time and Effort Certification forms.

PURCHASING / PROCUREMENT

All purchases will adhere to TVCC purchasing policies. This includes a required purchase order with appropriate signatures for all purchases over $200. All purchases will be subject to the allowable, allocable, reasonable, and necessary requirements.

Purchase orders must be detailed for specific items being purchased. No blanket purchase orders are allowed. TVCC will adhere to all grant-specific requirements regarding purchasing and procurement. More stringent policies will prevail where one or more policies can be applied.

Grant-related equipment, supplies, and materials purchases must be received and operational in enough time to impact the program(s) during the current school year.

DEBARMENT AND SUSPENSION

Organizations, governmental units, and individuals can be excluded from participating in Federal Awards, Subawards, and certain Federal contracts if they are suspended, debarred, or otherwise excluded from Federal spending.

The Contracts and Insurance Coordinator will verify vendors, contractors, and sub-awardees to ensure they have not been debarred or suspended by the federal government at the System for Award Management (SAM.gov - previously EPLS) website (http//www.sam.gov). Verification will be initiated when the Contracts and Insurance Coordinator receives a purchase order requesting goods or services to be purchased with grant funds.

If the vendor, contractor, or sub-awardees are on the list, contracts cannot be approved until they are removed from the Exclusions listing. The Contracts and Insurance Coordinator will notify the Grant Program Director.

APPROVAL OF EXPENDITURES

Before spending funds, the Grant Project Director should review the costs to ensure they are allowable expenses that directly relate to the grant objectives and are provided for in the grant budget. The Grant Project Director will approve expenditures through TVCC's Purchase approval process. For all purchases, evidence of approval should be saved in the grant files.

The Grant Accountant will review purchase order requests to ensure the grant's expenses are allowable, allocable, reasonable, and necessary (AARN). If any expense concerns AARN, the request will be rejected until further information is received.

CONTRACTED SERVICES

A contracted service arrangement occurs when an independent third-party vendor, such as a consultant, is used to perform grant-funded work. Contracted services do not include the use of part-time or full-time TVCC employees. To utilize a contracted service, the following procedures should be followed:
1. Persons requesting services should contact the Contracts and Insurance Coordinator to confirm valid Independent Contractor status.
2. Submit the contract for review to the Contracts and Insurance Coordinator
3. A purchase order must be issued and approved before the contractor may start work.
4. Contractors must submit invoices for payment
5. Contractor invoices are paid through Accounts Payable

TRAVEL AND TRAINING

Travel expenses using federally funded programs are more restrictive than TVCC's general Travel policy. This is because Federal guidelines are more stringent on allowable/unallowable expenses than the general Travel policy.

Note that tipping is not a covered expense for federally funded grants. This applies to in-state and out-of-state travel. If you should have any questions, please contact the Grant Manager.

Grant funds used for travel expenses must be limited to the grantee agency's established mileage, per diem, and lodging policies. If the agency does not have such written policies, the grantee must use the State of Texas travel guidelines.

Keep the following in mind:

1. You must select the lowest comparable air rate.
2. TVCC will not reimburse for business or first-class travel.
3. Foreign travel requires prior approval from the college President.
4. Travel expenses must be directly related to the purpose of the grant.

Grantees must maintain records that properly document conference attendance and completion of all grant-funded training courses.

1. A certificate of completion must be retained along with other supporting documentation for formal training classes and courses.
2. For conferences, workshops, symposiums, or other meetings where completion certificates are not issued, the following are some examples of acceptable documentation:
3. Conference badge
4. Sign-in sheets.
5. Emailed verification of attendance from the conference/meeting host or
6. Meeting minutes that include a list of attendees.

SUPPLEMENT VS SUPPLANT

Grant funds must supplement or add to, enhance, expand, increase, and extend the programs and services offered with college funds. Grant funds are not permitted to be used to supplant (take the place of or replace) local funds used to provide those programs and services. Grant funds should INCREASE the overall number of resources available to the Grantee. If an expense was previously paid for with college funds, it should not be charged to a grant unless it can be documented that state or local funds have been reduced/eliminated.

During reconciliations, if an expense is disallowed due to supplanting in error, a journal entry is processed to remove it from the grant general ledger accounts and include it in the appropriate college institutional account.

An auditor would suggest supplanting if a program or activity costs were funded with non-federal funds in one year and with federal or state grant funds the following year. To allocate grant funds in this way, you must have two types of documented evidence supporting its action.

1. Evidence of reduced state and local support and other non-federal support. Examples of such evidence are state appropriation language or a communication from the Coordinating Board regarding a reduction in state funding. Similar examples may relate to reduced funding from local or private sources.

2. Proof that the activity/program would be discontinued without the benefit of grant funds. Examples of this type of evidence might be minutes from a meeting called by the college president or a faculty meeting. The Awarded Applicant should have proper evidence before taking this kind of action.

COST SHARING, MATCHING AND IN-KIND

Cost-share and matching funds are contributions made to an award from other funds. The contributions must be for expenses necessary and reasonable to support the award's objectives. Cost share may be from non-federal funds, must be allowable by federal regulations, cannot be used by more than one project, and must be auditable.

Cost-share and matching expenses that are included in proposals become "required" cost-share/matching and must be tracked and verified. All cost shares must occur during the project period.

Documenting cost share involves the Grant Project Director and Grant Accountant. The Grant Project Director will provide the necessary information so the accountant can document the cost share if requested by the awarding agency or auditors. ***See OMB 2 CFR 200, section 200.306 for more cost-sharing or matching information.***

COST TRANSFERS FOR GRANTS

Cost transfers are reassignments of costs involving a grant account. All transfers must follow the requirements contained in federal regulations and sponsoring entity guidelines.

The Grant Project Director on any grant/contract is responsible to ensure that only allowable, allocable, reasonable, and necessary costs are charged to his/her grant/contract. Costs should be charged to the appropriate grant when first incurred. However, circumstances may require transferring expenditures to a grant/contract after the initial recording of the expense.

Transfer of costs either into or out of a grant account requires monitoring for compliance with TVCC guidelines, federal regulations, grant-specific guidelines, and the cost principles that underlie fiscal activities on grants.

The Grant Project Director or designated support staff should review expenses at least monthly to promptly identify costs that have been erroneously posted to a sponsored account. Timely review of expenditures will help correct errors and limit the number of cost transfers.

Cost transfers should be requested within 90 days (about three months) after the month the cost was initially posted to TVCC's financial accounting system. Any request received after the 90-day period will require review and approval by the Controller and may not be allowed.

If an unallowable expenditure is discovered on any grant, it must be removed regardless of the time limit. Cost transfers must be completed no later than 30 days (about four and a half weeks) after the grant terminates. This is necessary to promptly charge the grant and not delay the submission of final financial reports. The Grant Accountant will review transfer requests on terminated grants on a case-by-case basis and may not be approved. Transfers to reduce overruns, spend unused balances, or for other convenience reasons are prohibited.

Retroactive payroll adjustments may affect previously submitted effort reports and will require re-certification and submission of a new effort report reflecting the change.

PROPERTY DEFINITIONS

Capital Assets

An asset with a value equal to or greater than the capitalization threshold for that asset type. Depending upon their value, capitalized assets may or may not be capitalized for financial reporting. Capitalized assets are reported in an agency's annual financial report. Effective September 1, 2024, TVCC capitalizes single assets valued at $10,000 or greater.

Capital Asset Class	Threshold
Land/land improvements	Capitalize All
Buildings/building improvements	$100,000
Facilities and other improvements	$100,000
Infrastructure	$500,000
Personal property	$10,000
Library books/materials (collections)	Capitalize All
Works of art/historical treasures	Capitalize All
Leasehold improvements	Various
Land use rights	Various
Computer software	Various
Other intangible capital assets	$100,000

Controlled Assets

An asset that has a value less than the capitalization threshold established for that asset type. Controlled asset is an asset with a single unit value at least $500 but less than $10,000. However, due to its high-risk nature, it is required to be reported to the state. Controlled assets are not listed in an agency's financial report. Items listed as controlled are indicated in the table below.

Controlled Asset Class	Threshold
Handguns	At any cost
Rifles and Shotguns	At any cost
Sound Systems and Other Audio Equipment	$500 - $9,999.99
Portable Cameras	$500 - $9,999.99
TVs, Video Players/Recorders	$500 - $9,999.99
Computer, Desktop	$500 - $9,999.99
Data Projectors	$500 - $9,999.99
Smartphones, Tablets	$500 - $9,999.99
Handheld Devices	$500 - $9,999.99
Laptop Computers	$500 - $9,999.99
Drones-Unmanned Aerial Vehicle	$500 - $9,999.99

INVENTORY CONTROL

An inventory of equipment and non-consumable items purchased in whole or in part, using grant funds, must be taken, and the results reconciled at least every two years (except when required more frequently by individual grant policy). Review the grant contract, as requirements vary according to the grantor's requirements.

An inventory management system must be implemented to prevent equipment loss, damage, theft, or destruction. All equipment and non-consumable items costing $500 or more will be tagged upon receipt with a TVCC asset tag that includes "Property of Trinity Valley Community College" and a unique identifying number. ***Note: Equipment and non-consumable items purchased with Perkins funds will be tagged with a TVCC asset tag that can easily be identified as purchased with Perkins funds.***

The IT Services department will tag and inventory all computers, tablets, and other related technology equipment purchases of $500 or more to ensure they comply with the minimum standards for network security. The Inventory Control department will tag and inventory all other equipment and non-consumable items of $500 or more.

The following information will be used in recording grant-related purchases in the inventory management system:
1. Acquisition Date
2. Item Description
3. Serial Number or other ID number
4. Acquisition Cost or Unit Cost
5. Percent funded for grant
6. Program Used
7. Source of funding, including the award number
8. Asset tag Number (Perkins tags will have PG following a unique identifying number)
9. Location
10. Condition of item
11. Disposition date (if applicable)
12. Disposition sale price (if applicable)

Inventory records must be recorded and retained for all $500 or more grant-related purchases for five years.

The Grant Project Director will work with IT Services, Inventory Control, the Grant Manager, and the Grant Accountant to ensure that all equipment is inventoried and reconciled as specified in the grant contract.

DISPOSITION OF EQUIPMENT

The college must use equipment purchased with grant funds in the program or project for which it was acquired if it is needed for that program or project. The only exception is if the grant contract/agreement states otherwise.
When equipment is not needed for the original project or program, it may be used in other activities with the following priority:
1. Projects supported by Federal awarding agencies
2. Project funded by other Federal agencies
When equipment is no longer needed in any current or previously Federally funded supported activity, request disposition instructions from the federal awarding agency. The appropriate funding agency must approve the disposal of items purchased with grant funds before disposal. Equipment disposition depends on its fair market value (FMV) at the time of disposition.
1. If the item's current FMV is $5,000 or less, it may be retained, sold, or otherwise disposed of without further obligation to the federal awarding agency.
2. If the item has a current FMV of over $5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds. (2 C.F.R. §200.313(e).

The Grant Project Director should complete an **Asset Disposal Form** and submit it to the Grant Manager, who will forward it to the appropriate department.

INDIRECT COSTS

Indirect costs are actual costs incurred to conduct an organization's normal business activities that cannot be identified with or directly charged to a specific project or activity. Indirect cost rates are used to partially recover the indirect cost of a sponsored project.

TVCC's indirect costs are developed according to the requirements of the US Office of Management and Budget Management and 2 CFR 200, section 200.56.

TVCC negotiates indirect rates with the college's cognizant federal agency, the Department of Health and Human Services (HHS), under 2 CFR 200. Negotiated, approved rates are to be used for all agreements with the Federal government and for most nonfederal projects. The rate agreement is periodically renegotiated (usually every three years), so rates will vary.

If an indirect rate is nonnegotiable with the Department of Health and Human Services (HHS), some granting agencies allow for an alternative allocation method. The granting agencies must approve the alternative allocation method.

Some granting agencies allow for a lower indirect cost rate than the TVCC negotiated rate, allowing more dollars for program use. If so, this must be identified in the approved contract, narrative, or budget.

Indirect costs are recovered by applying the applicable indirect costs rate to the direct cost expenditures incurred on each project.

The Grant Accountant calculates the indirect cost amount charged to each project.

PROGRAM INCOME

Program income is revenue related to the project financed in whole or in part with federal or state funds. To determine which method to follow, refer to the awarding agency regulation or OMB 2 CFR 200.80.

If the awarding agency does not specify a method, the addition method will automatically apply (except when specified by the program).

1. Addition Method- Revenue generated is added to federal funds committed to the project and used to further eligible project/program objectives.
2. Subtraction Method- The amount of program income revenues generated to reduce the amount of federal funds. It must be spent in accordance with the original approved budget.
3. Other Method- Revenues are used to finance the non-federal share of the project/program.

GRANT CLOSEOUT

Proper closeout of a grant-funded project is as important as the development of the project. The Grant Manager, Grant Project Director and Grant Accountant will coordinate the closeout process, including final reports and financial reconciliations.

TVCC shall submit, within 30/60/90 (however specified by grant award) calendar days after the award's completion date, all financial, performance, and other reports as required by the terms and conditions of the award.

Unless a granting agency authorizes an extension, TVCC shall liquidate all obligations incurred under the award no later than 30/60/90 (however specified by grant award) calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions.

The Grant Manager will coordinate with Grant Project Director and Grant Accountant in promptly preparing the form to refund any balances of unobligated cash that a granting agency has advanced or paid, and that is not authorized to be retained for use in other projects.

EVALUATION

Evaluating grant programs is a valuable tool in helping improve program quality, and some federally funded grant programs require that evaluations be conducted regularly. In general, grant programs should be evaluated in accordance with the program design and complexity. The overall purposes of evaluation are to:

1. guarantee the program's compliance with federal and state law, regulation, and policy.
2. provide the administrators and staff of a grant program with appropriate feedback to improve performance (formative evaluation — conducted during a grant).
3. assess the extent to which the grant program achieves its objectives as stated in a grant application (summative evaluation — conducted when the grant has been completed).
4. identify exemplary grant programs or exemplary components of grant programs for appropriate dissemination.

AUDITS

Single (A-133) Audit: TVCC expends more than $750,000 in federal funds annually - a threshold set by the Office of Management and Budget (OMB). Expending over $750,000 in federal funds requires TVCC to have a single audit each fiscal year. TVCC's annual single audit is usually conducted in November. A similar threshold is also applicable for state funds.

TVCC's yearly single audit begins in the Business Office, where our auditors review grants financial statements, expenditures (SEFA and SESA), and source documentation for these expenditures. Auditors select which grants and contracts will be audited based on several key components, including the total dollar amount expended and risk factors. This explains why some of TVCC's most significant grants are selected for a single audit each year.

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

External audits/ site visits from grant funding agency: It is possible that during your grant's life, your grant funding agency will conduct an on-site visit. **If you are notified of an audit request, you should notify the Grant Manager and Grant Accountant!**

Common red flag(s):
When the grant is not expended ratably throughout its life.
Extensive funds are left over after the grant is complete.

CONSEQUENCES OF MISMANAGEMENT

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

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

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

FRAUD, WASTE, AND ABUSE

Most cases of fraud fall into one of these categories:

1. Conflict of interest. No one involved with a grant can participate in any decisions, approvals, disapprovals, recommendations, decisions, or other actions if it concerns or benefits family members, a partner, any organization they serve in an official capacity, or any organization they are considering employment with.
2. Failure to Properly Support the Use of Award Funds. Typical issues involve deliberate redirection of funds different from the purpose outlined in the award agreement or failure to adequately account for track, or support transactions.
3. Theft. This is the most common issue. Keep in mind that people who embezzle funds can be extremely creative while often appearing very trustworthy. These abilities are precisely why they can do so much damage to an organization and remain undetected for extended periods of time. Poor or no internal controls provide an opening for theft. A lack of proper separation of duties is one of the most common weaknesses.
4. Criminal or licensing violations. While not as common as other types of fraud, failing to report a criminal or licensing violation by an employee, officer, contractor, or anyone with an official relationship with the grantee is a form of fraud. Any grantee who becomes aware of such an investigation by a law enforcement agency or state or federal licensing agency must disclose it immediately.
5. Mandatory disclosures. Grantees and applicants must immediately disclose, in writing, to the funding agency all federal or state criminal law violations involving fraud, bribery, or gratuity violations potentially affecting the grant award. Failure to make required disclosures can result in grant sanctions, including award termination.

REDUCING RISK

There are several things that you can do to reduce the risk of fraudulent use of your grant funds:

1. Controls. Examine your operations and internal controls to identify your fraud vulnerabilities. Maintain a well-designed and regularly tested system of internal controls.
2. Education. Implement specific fraud prevention strategies, including educating others about the risks. The more people are aware of the issues, the more they can help prevent problems or detect them as early as possible.
3. Documentation. Ensure all financial or other certifications and progress reports are adequately supported with appropriate documentation and evidence.
4. Conflicts of Interest. Identify any potential conflict-of-interest issues and disclose them to the awarding agency for specific guidance and advice.
5. Fair procurement. Follow a fair and transparent procurement process, especially when using consultants. Ensure that the rate of pay and the work product are reasonable and justifiable.

RECORDS RETENTION

Grantees must maintain all financial records, supporting documents, statistical records, and all other records pertinent to the award for at least three years following the closure of the most recent audit report or submission of the final financial status report if the audit report requirement has been waived. Grantees may retain records in an electronic format. All records are subject to audit or monitoring during the entire retention period.

Grantees must retain records for equipment, non-expendable personal property, and real property for a period of three years from the date of the item's disposition, replacement, or transfer.

If any litigation, claim, or audit is started before the end of the three-year records retention period, the grantee must keep the records under review until the completion of the action and resolution of all issues that arise from it or until the end of the regular three-year period, whichever is later. ***Note: The Perkins grant requires five-year retention for documents and inventory reporting.***

APPENDIX A - GRANT PROCESS GUIDE

STEPS FOR APPLYING FOR GRANTS

Identification of Funding Opportunity

Whenever a faculty or staff member identifies a grant funding opportunity that interests them and for which they might like to apply, they must proceed as follows:

1. Secure and carefully review a copy of the complete Request for Proposals (RFP) issued by the funding source.
2. If necessary, call or e-mail the funding source's contact person to resolve any questions concerning the RFP and program requirements.
3. Discuss their interest in applying with their immediate supervisor and secure this important preliminary approval before proceeding.
4. If the project or program involves partners outside of the College or letters of support, contact these entities to ensure their support and willingness to provide any needed information/documentation in a timely way.
5. Schedule a meeting with the Grants Manager to develop a process and schedule; obtain needed assistance with application development. If the application must be submitted electronically, the Grants Manager will also provide information concerning that process and ensure the Grant Project Director is registered and has access to the system if required. Assistance can include:
6. Project development
7. Data research
8. Drafting and/or editing of text
9. Completing Forms
10. Budgeting
11. Coordinate additional support as needed.
12. If a Letter of Intent (LOI) to apply is required or recommended by the funding source, in consultation with the Grants Manager, develop and submit this document by the due date per the RFP's instructions.

Submitting the application

1. Once you have a draft of the project outline, goals, and budget, you may then submit the Notice of Intent to Apply form. The application does not need to be completed to submit this form for approval. But you must wait for all signatures to be approved prior to submitting the application to the funder.
2. The Grant Project Director will complete the Notice of Intent to Apply form https://tvcc.jotform.com/233395139553058. Upon approval from the Grants Manager, the forms will then be forwarded to the Vice Presidents, who will, if agreed, approve, and submit to the President. Assistance in completing this form is available from the Grants Manager. The Notice of Intent to Apply shall be completed one week before the application deadline for review and signatures.
3. Once all approvals are in place, the Grant Project Director can submit the "officially signed" application to the funding agency.
4. The Grants Manager shall receive a copy of the signed Grant Application and "Notice of Intent to apply."

STEPS FOR AWARD DECISIONS AND NOTIFICATIONS

Notice of Award

After the funding agency has reviewed all applications, the awarding agency will determine whether an award will be made.

1. The funding agency notifies the Grant Project Director whether the applicant has (or has not) been awarded the grant. The funding agency will send the applicant a Notice of Award (NOA) or a Grant Contract.

2. The Grant Project Director will send it to the Grants Manager, who will review the NOA and, if acceptable, send it to the college President for their signature.

Approval and Acceptance of Grant

1. The college President will sign the NOA and then return it to the Grants Manager, and the Grant Project Director will submit the signed NOA to the funding agency.

2. The funding agency may need to sign and return with signatures.

3. Send a copy of the signed Notice of Award to the Grant Accountant.

STEPS FOR IMPLEMENTATION OF THE GRANT

This phase comprises significant work over the award dates, including implementing the grant, reporting progress, and completing the closeout requirements. The agency that makes the award to you is also there to assist and ensure compliance with the grant terms and conditions.

Grant Kickoff Meeting

1. Within the first two weeks after notice of the award, the Grant Manager will coordinate an initial meeting with the Grants Accountant, Grant Project Director, and any other related parties to review the following grant project details:

2. Specific requirements of the funding agency/organizations.

3. Timeline for project implementation and planned activities.

4. As applicable, Issues, policies, and procedures pertaining to budget, including equipment and supply purchases, contracted services, consultants, and subcontracting.

5. Expectations regarding reporting requirements and due dates.

Establishing the Budget

1. The Grant Accountant will send the Grant Project Director the "Notice of Award and New Award Account Setup" form. If funds will be used for student aid, the "New Award Request Form" will also need to be submitted.

2. The Grant Accountant will request new GL accounts from the Controller.

3. The Grant Project Director will complete the Budget Setup form based on the new GL accounts requested. It will then be sent to the proper Vice President for approval. The Grant Project Director should consult with the Grant Accountant to ensure accurate budgets.

4. The signed TVCC Budget Setup Form will be submitted to the Senior Business Analyst for entry into Colleague, and the Grant Manager will be copied.

STEPS FOR MANAGEMENT OF THE GRANT

The grant is managed throughout its life. The grant project director will complete daily activities, purchase evaluations, and program reports. Regular meetings to review progress are highly recommended. Depending on the scope of work required, these meetings could be monthly or quarterly. As necessary, these meetings should include the Grant Manager, Grant Project Director, Grant accountant, and others.

Purchasing
All TVCC policies must be followed per the grant contract parameters. The Grant Project Director is responsible for ensuring that these purchases comply with the grant requirements and are made within the grant timeline. The Contracts and Insurance Coordinator must approve any contracts for purchases.

Budget management
Regular maintenance and review of the budget are highly recommended. The Grant Project Director will be responsible for maintaining the grant budget. Budget adjustment proposals, which are common, shall be initiated by the Grant Project Director. The Grant Manager will review and approve these proposals before they are submitted to the funding agency, a process that varies by funder.
Once the funding agency approves the budget adjustment, the Grant Project Director will create a TVCC Budget Adjustment form for the Grant Accountant to review before submitting it for internal budget changes.

Time and Effort Certification

Employees who have any portion of their salary paid using grant funds must submit a Time and Effort Certification form. This is done for each payroll period.

Effort is measured as a percentage of the employee's total employment obligation. Percent effort represents the portion of time an employee spends on each employment activity and is expressed as a percentage of the employee's total activity, including non-grant-funded activities. Total activity equals 100% effort and may not exceed 100%.

The percentage effort is not based on a typical 40-hour work. Total College Effort is 100% of the time, regardless of the hours worked.

Cost transfers

Transfer of costs either into or out of a grant account requires monitoring for compliance with TVCC guidelines, federal regulations, grant-specific guidelines, and the cost principles that underlie fiscal activities on grants.

The project director or designated support staff should review expenses at least monthly to promptly identify costs that have been erroneously posted to a sponsored account. A timely review of expenditures will help correct errors and limit the number of cost transfers.

Cost transfers should be requested within 90 days (about three months) after the month the cost was initially posted to TVCC's financial accounting system. Any request received after the 90-day period will require review and approval by the Controller and may not be allowed.

If an unallowable expenditure is discovered on any grant, it must be removed regardless of the time limit.

The Grant Project Director will submit a request to the Grant Accountant for review.
4. Request must contain explanation and supporting documents to justify cost transfer.
5. The Grant Accountant will review the request from the Grant Project Director.
6. If further justification is needed or the request is denied, the Grant Accountant will notify the Grant Project Director.
7. If approved, the Grant Accountant will prepare a journal entry for approval by the Controller.
8. The Controller will review and approve journal entries.

The Grant Accountant will maintain copies of journal entries and supporting documentation in grant binders.
Budget or program amendments should be kept to a minimum. If an amendment is necessary, please contact the Grant Manager as soon as possible.

Record Keeping

Record keeping is essential for all grants, though the extent of documentation varies by grant and agency. Examples of required records include expense reports, time and effort (personnel timesheets), services provided, student data, and performance measures. It is recommended that these documents be stored digitally in a shared folder accessible to the Grant Manager, Grant Accountant, and any other relevant personnel.

Program Reports

Grants require progress reports to demonstrate progress in meeting their goals, objectives, and measures. The Grant Project Director is responsible for completing these reports, with assistance from the Grant Manager as needed. The due dates for these reports can be quarterly, semiannual, or annual.

Financial Reports

The Grant Accountant is responsible for creating and submitting financial reports, which must be approved by the Grant Project Director prior to submission. These reports typically follow the same schedule as program reports, which can be quarterly, semiannual, or annual.

STEPS FOR GRANT CLOSEOUT

The team reviews the following before the grant end date to ensure compliance. The grant team comprises the Grant Project Director, Grant Accountant, and Grant Manager and could include other personnel as necessary.

Pre-close out review by grant team.
1. Review expenditures for allowability.
2. Verify that all goods and services have been received/completed before the grant date ends.
3. Identify any outstanding invoices.
4. Confirm all expenses have been posted. (Including department charges)
5. Confirm all time and effort is appropriate and certified.
6. Complete termination paperwork for staff and payroll changes for staff assigned to other cost centers or grant accounts.
7. Ensure cost-sharing commitments are met.
8. Ensure payroll costs are correctly allocated to the grant.
9. Submit any Payroll reclassification to the Payroll Department at least two weeks before the grant ends.
10. Take inventory of all equipment and review disposition instructions.
11. Review equipment disposition instructions and take necessary action.
12. Prepare and submit the final Program report.

Accounting tasks completed by Grant Accountant
1. Verify that all encumbrances have cleared, and if necessary, request liquidation from AP.
2. Ensure all journal entries have been completed and processed.
3. Sub-recipients' final invoices have been paid.

Final steps of closeout
1. The Grant Accountant will record final indirect costs.
2. The Grant Accountant will review financial activity after the grant end date for compliance and prepare needed closing adjustments.
3. The Grant Accountant will prepare the final financial report and forward to the Grant Project Director
4. The Grant Manager will prepare the Return of Funds form (if applicable)
5. The Grant Accountant will confirm that the reclassification of Payroll out of the grant has been completed.
6. Grant Accountant will confirm unused funds have been returned.