

# Grants and Contracts policies and resources



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Fiscal Analyst 4 – Grants and Contracts

## Introduction

This page contains the policies and procedures for the management of Green River College's grants and contracts, with links to the relevant federal rules. The intended audiences for this page are principal investigators, business office staff members, and college administrators.

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## Definitions section

### What is a grant?

Green River College receives grants from federal and state agencies to fund educational activities and provide public services. If the funding is a grant, the awarding agency is not substantially involved in carrying out the activity, the awarding agency is not receiving properties or services, and the college has considerable flexibility in how to carry out the activity.

Gifts are another source of funding from external donors usually given without an expectation of direct benefit or deliverable. The Green River College Foundation is a 501(c)(3) organization that pursues and accomplishes projects that are outside of the state funding mechanism.

## What is a contract?

Green River College also has contracts with external agencies where the purpose is to acquire property or services for the government. A contract is a legally binding document to provide a defined good or service.

## More definitions

Please see the "Grants management terms and people" page at right for more definitions of the terms involved in grants and contracts.



Grants for Colleges - Washington  
Community and Technical Colleges



Federal definitions from ecf.gov: 2  
CFR 200.1 -- Definitions.



Grants management terms and  
people

## Expenses

### Four cost principles

The federal government has four principles for considering whether costs can be charged to a federal award:

A cost must be **allowable**, meaning that it falls within the bounds of what the federal government is willing to fund. Federal funds are not allowed to be spent on alcohol, first-class travel, lobbying, bad debts among other forbidden uses. It has to be reasonable and necessary for the performance of the award, it has to be adequately documented, and it cannot be used to meet the matching requirements of another federal grant.

It must be **reasonable**, meaning that the goods and services acquired do not exceed what a prudent person would spend for them.

It must be **allocable**, meaning that the expense has a place in the grant's budget.

It must be **consistent**, meaning that each cost incurred has to be recorded in a similar manner to other costs in that grant. For example, if office supplies are covered by indirect costs at the beginning of the grant, they can't be charged as a direct expense later in the grant.

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Federal rules on cost principles  
from [ecfr.gov](https://www.ecfr.gov): 2 CFR Part 200...



Purchasing and contractor policies  
for GRC grants

## Payroll

College employees' salaries and benefits make up the largest expense items for most grants. All personnel involved in carrying out grant-funded activities must be compensated in accordance with college guidelines and union contracts, which establish hiring rates and regulate pay adjustments for college employees. To make sure that employees' salaries and benefits are assigned to a grant budget, grant managers need to designate project numbers, department numbers and activity names to the employee hours assigned to the grant. At right is a link for payroll policies as they apply to grants, and another for the Green River College payroll department's Gatornet site, which includes forms and policies for all college payroll needs.

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Payroll policies for GRC grants



Payroll Gatornet site

## Time and effort

Time-and-effort reports are after-the-fact records that reflect how faculty and staff spent the time for which they were compensated by the college. For grants, the purpose of these reports is to provide documentation to substantiate payroll charges. For each period a time-and-effort report is prepared, it must reflect 100 percent of an employee's time worked for the college in a given period. If a grant involves an employee working contributed or cost-shared hours (work done on the project but paid for with non-federal funds), those hours also have to be indicated on the time-and-effort reports.

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Time and effort guidelines for grants



SBCTC\_TimeEffortGuidelines\_06-2019



GRC-Time-and-Effort-Reporting-Guidelines-rev-10-21



Federal rules on time and effort on ecf.gov: 2 CFR 200.430 -....

## People and roles

In the life cycle of a grant, there are multiple people and offices involved in its development, approval and management.

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Grants roles and responsibilities

## Accounting and monitoring system

All Green River College grant expenses are recorded in the college's accounting system, ctclink, an Oracle PeopleSoft enterprise resource management product. Grants are assigned project and department numbers so that they can be tracked separately from the rest of college expenses.

In addition to the records in ctLink, Business Office staff create reconciliation reports in Microsoft Excel that compare the original budget of the grant to expenses on a more granular level.

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Accounting system



Recon tutorial

## Cash management and cost sharing

Green River College manages its federal awards on a reimbursement basis. Program costs must be paid for with College funds first before reimbursement can be requested.

On some grants, the total project cost is shared with another source of funds. The college or another third party contributes part of the cost, and that portion of the expenses are not submitted to the grantor for reimbursement. The college must identify these funds in advance and make sure that they are held until they can be used for their restricted purpose.

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Cash management and cost sharing



2 CFR 200.305 -- Federal payment.



2 CFR 200.306 -- Cost sharing or matching.

## Purchasing and contractors

When purchasing goods or services with grant funds, the purchase is subject to federal rules in addition to Green River College policies. Depending on their size,

some purchases can be made without a bidding process, but larger ones will require the college to submit bids.

## Quick links



Purchasing and contractor policies for GRC grants



Purchasing and accounting Department on Gatornet

## Conflicts of interest

Both Green River College and federal regulations require those involved in grants to manage, reduce or eliminate actual or potential conflicts of interest that may be presented by employees' involvement in outside activities while working on grants.



Conflict of interest policies for grants



2 CFR 200.112 -- Conflict of interest.



2 CFR 200.319 -- Competition.



2 CFR 200.450 -- Lobbying.

## Records retention

Records on grants must be retained by the College for [number] years from the date of submission of the final expenditure report. In the event that litigation, a claim, or an audit is started before the expiration of the [number] period, the records must be maintained until final disposition of the litigation, claim, or audit.



State government general records retention schedule



WAC 44-14-03005:



2 CFR Part 1136 Subpart B --  
Records Retention and Access...

## Travel

Travel expenses can be included in federal grants budgets and must follow both Green River College policies and be compliant with federal rules. Depending on the distance and length of travel, grant managers will need to plan whether meals are to be reimbursed on actual cost or per diem, whether hotel costs on the site of a conference can be called "reasonable" and whether airfare or mileage would be the more appropriate cost for the grant to cover.



Travel policies for grant-funded activities



Travel and expense dept on Gatornet...



2 CFR 200.475 -- Travel costs.

## Indirect cost rate

Indirect Costs – (a.k.a. Facilities and Administrative Costs (F&A) for Colleges and Universities) indirect costs represent the expenses of doing business that are not readily identified with a specific grant, contract, project, or activity, but are necessary for the general operation of the institution. This includes, but is not limited to: occupancy expenses (e.g. utilities, rent), technology support, business office personnel (e.g. payroll, purchasing, accounts payable), campus safety, human resources, etc. Some grants allow for indirect costs to be charged to help cover these overhead expenses. Indirect cost rates allowed vary by funder and may be subject to

limitations. Green River College has a negotiated indirect cost agreement granted by the Department of Health and Human Services which allows us to charge a rate of 45% on direct salaries and wages, the basis for our indirect expense calculation. The indirect cost rate may not be charged to any other expense categories, unless otherwise noted in the grant guidelines or other grant-related correspondence.

## Subawards

Subaward agreements are established to facilitate the collaboration of faculty and staff from multiple institutions. Green River College can receive subawards from other institutions, and it can give them to cooperating partners as well. In both cases, Green River College needs to follow federal rules and make sure that subawardees are also in compliance. As the grant proposal is being developed, agreements between the institutions should be made in writing to be submitted to the grantor.

## Internal control

Green River College has an internal control framework for the oversight of the financial and program management function. They help keep the financial processes in compliance with laws and regulation, promote reliable reporting, and prevent fraud, waste and abuse.

Management of grant funds involves some additional specific rules from the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government.

[Additional paragraph describing what's at right.]

## Deadlines for grant reporting

### Quarterly deadlines

[text goes here]

## **Yearly deadlines**

[text goes here]

## **Closing out a grant**

[Graf about closing out goes here.]

## **Auditing**

[get ready for audit graf goes here.]



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