

L. SPONSORED PROGRAMS

I. Overview

Authority to execute or to delegate authority to execute contracts and written agreements is held by the President of Ivy Tech Community College, with the exception of those contracts which require Board of Trustee or other outlined approval. Grants and contracts for restricted purposes usually involve a formal written agreement and unless so designated require the signature of the President or a designee in accordance with FMM Section J.III.L for signature delegation for contracts.

The types of grants, contracts, and agreements include those for which organizations external to the College have resources that can be made available to support the instructional, research, or public service function of the College. These programs are established in restricted College accounts and are designated as "Sponsored Programs."

These funds are expendable for operating purposes, but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. The distinction between the balances of externally restricted and internally designated, but otherwise unrestricted funds, must be maintained in the accounts and disclosed in the financial reports. The circumstances and evidence relative to restrictions may not be clear and may require the advice from General Counsel, management and independent auditor judgment, insight, and discretion. Technical and administrative responsibilities assumed by the College in relation to sponsored programs are complex. Acceptance of funds for these programs is accompanied by a requirement of strict accountability. In addition to the agency/sponsor requirements, College staff working with grants must be cognizant of the many areas of the College in which a grant will interact. Relevant departments and offices should be kept apprised and consulted with as grant proposals are developed and sponsored programs implemented.

Sponsored programs will be established via signed contracts, grants, cooperative agreements, or memorandums of understanding. These projects may be sponsored by governmental (federal, state, or local government entities) or non-governmental entities (foundations, corporations, and other agencies).

Sponsored program funds relate to the specific grants, contracts and agreements between the College and external "Public" governmental entities, or "Private" organizations or individuals funded for the particular restricted purpose specified. Each of these individual program is categorized by fund, according to the governmental entity or type of private organization that has entered into the agreement with the College.

It is important to note the primary differences between a grant and a gift. A gift represents a 'contribution' which is voluntary and non-reciprocal. A gift generally contains no reporting requirements, and is for an unspecified period of time. Grants or Contracts or Agreements are defined as a signed contract or agreement which provides for the expenditure of funds for a stated purpose with a period of performance and with reporting requirements. In most cases the distinction is clear, but in times when the distinction is not clear, sponsored program accounting staff can help to appropriately deposit and track the revenue. Ivy Tech Community College manages grants under the Office of Management and Budget's Uniform Guidance. This guidance, while strictly applicable to federal awards, also shapes many of the College's policies for all of its grant management practices.

II. Roles and Responsibilities

A.1. Grants Development Office

A.1.a. Pre-award

The Grants Development Office is responsible for assisting campus and Systems Office staff with identifying funding opportunities, coordinating grant writing and proposal development assistance, and engaging appropriate College and community partners. The campus Development Offices and Grants Development Office serve as the first point of contact for all College and Foundation grant submissions. The Grants Development Office reviews all proposals, and in collaboration with the campus Development Offices ensures all appropriate College and Foundation approvals have been obtained, including the Office of Information Technology, Facilities, and other departments as applicable. As requested, the Grants Development Office provides training on pre-award processes such as identifying opportunities and developing a proposal.

A.2. Sponsored Programs Office

A.2.a. Pre-award

Once a proposal has been reviewed and approved by the appropriate parties, the final proposal documents are sent by the Grants Development Office to the Sponsored Programs Office for submission to the granting agency. Any exceptions, such as local community foundation submissions, companies, or organizations where there is an established relationship, must still be reviewed and approved by Sponsored Programs prior to submission.

A.2.b. Post-award

The Sponsored Programs Office jointly maintains responsibility for management of an active grant in partnership with the Project Director (PD), the Executive Director of Finance/Executive Director of Administration (EDF/EDA) or assigned Finance Designee, and Campus Development Offices.

Once a grant is awarded to the College or the Ivy Tech Foundation, and signed copies of the agreement and a fund request form are forwarded to the Sponsored Programs Office, the work of preparing the grant account begins. It is imperative that the grant is set-up to be in compliance with both the agreement and governmental guidance. Within Banner, Sponsored Programs ensures the sponsor is established, enters the grant and budget information and ensures time certifications will be generated when needed. Cost-Sharing information and Indirect Cost protocol are also established at grant inception, allowing all funds within the grant to share common characteristics.

The Sponsored Programs Office is available to assist PDs and campus finance staff to ensure grants are effectively managed. When negotiations about modifications need to occur with the sponsoring agency, the Sponsored Programs Office is the primary contact in facilitating the request, and the Sponsored Programs Office will submit the modification request to the sponsor. Any exceptions, such as modifications on local community foundation grants, companies or organizations, must be reviewed and approved by the Sponsored Programs Office. It is of vital importance that all parties (Sponsored Programs, EDF/EDA or Finance Designee, EDD or designee and PD) are kept apprised of any events surrounding these modification requests.

The Sponsored Programs Office is ultimately responsible for the fiscal reporting and billing for all Federal and State projects. Most have quarterly fiscal reporting and generally these reports are submitted by Sponsored Programs separately from the programmatic report submitted by the PD.

The Sponsored Programs Office is also responsible for account closeout and for working with auditors in audits of sponsored accounts.

Sponsored Programs provides access to tools and training to help Finance staff and PD's manage their grants in compliance with Ivy Tech Policies, Federal policies and all other guidelines.

A.3. Business Office (EDF/EDA or Finance Designee) & Project Director (PD)

A.3.a. Pre-award

EDF/EDAs or Finance Designees, EDDs and PDs are responsible for oversight of the preparation of the grant proposal packet, including a budget which fully costs out the grant proposal and acquisition of the signature(s) on the Grant Proposal Preparation Form from their Chancellor or designee, PD and EDF/EDA or designee. PDs must be thorough as they examine grant proposal opportunities and evaluate the impact such a proposal may have on other areas of the College; examples of such areas include Academic Affairs, Information Technology, Financial Aid, Student Affairs and Facilities. PDs and EDF/EDA or Finance Designee shall not submit proposals directly to agencies; this responsibility lies with the Sponsored Programs Office. As previously stated, exceptions to this submission process, such as local community foundations, companies or other organizations, must be reviewed and approved by the Sponsored Programs, Grants Development Office, and the campus.

A.3.b. Post-award

EDF/EDAs or designees and PDs accept a great deal of responsibility when they accept a grant from a sponsor. It is the responsibility of the EDF/EDA or Finance Designee and PD to manage the fiscal and programmatic operations of an active grant. Specifically, the PD is responsible for submission of program reports, jointly managing the fiscal condition of the grant with the guidance of the Finance office, and providing evidence of expense allocability to a grant. The Finance Office is responsible for ensuring that the expenditures being incurred are reasonable, have evidence of allocability and are allowable to the project. The Finance Office is available to assist/partner with the PD in preparation of any project revisions (project extensions, budget modifications, personnel modifications, etc.). Submission of such modifications would be facilitated through the Sponsored Programs Office, but it is imperative that communication between the PD, the EDF/EDA or Finance Designee, EDD, Sponsored Programs Office be managed effectively.

B.1 Grant Proposal Background

Grant proposal format is generally dictated by the agency solicitation for a grant proposal. These solicitations will typically include all the information needed in the grant proposal, including formats for budgets, timelines and narrative. Most funding agencies will have guidelines for submission, regardless of the presence of a formal solicitation; the Grants Development Office and the EDF/EDA or Finance Designee are available to assist in the assembly of all grant proposals to help ensure compliance with sponsor specific regulations. Many agencies have strict policies regarding length, font size or dollar amount. Failure to adhere to these specifics could quickly eliminate a grant proposal from competitive review.

B.2. Grant Proposal Budget Development

The initiator of a grant proposal and the campus business office are responsible for developing a grant proposal budget in coordination with the Grants Development Office. All parties share the responsibility of reviewing the funding agency guidelines to determine allowable costs and ensure they are both sufficiently budgeted in the required categories. The process will help to assure the grant or contract's accountability requirements are addressed, as well as facilitate required project reporting.

The budget should be clear, precise and realistic in relation to the grant proposal's narrative. When preparing budgets, reference Banner account codes which may be obtained from the EDF/EDA or Finance Designee, or the Sponsored Programs Office. Fringe Benefits should typically be budgeted following the fringe benefit estimate provided by the Sponsored Programs or Grants Development Office, unless a more definite rate is expressly used by the responsible organizational unit. It is the responsibility of the Sponsored Programs Office to provide training on preparing a budget for a sponsored project.

Cost-Sharing

It is common for sponsors to require matching funds for a grant proposal. Matching funds, or cost-share, is defined at CFR 200.29 as the portion of project costs not paid by grant funds.

Typically, when a specific percentage of effort, cash, or assets is promised as a College contribution for matching purposes, the amount of time spent and/or the dollars expended must be accounted for and is auditable. Percentage of effort cost-sharing commitments are based on percentage of effort obligation(s), and are not restricted to a certain dollar amount but instead a

percent of effort for a position over the stated period of time. Dollar amount cost-sharing is reflective of a need to spend a certain dollar amount in support of the project. Typically, expenses are not line-item restrictive; however sponsor regulations/guidelines would predicate any interpretation otherwise. As an example, if only 80% of the grant expended, typically the required cost-sharing amount would also be proportionally reduced. Memo-Match cost-sharing is a commitment which cannot be accounted for in the accounting system. Typically, it may include vendor or subcontractor commitments, equipment usage, space or other tangible items. These will be certified via a memorandum or form by the Project Director under guidance from Sponsored Programs Office.

Each of these commitments, once agreed to in a sponsored award, require tracking to ensure accountability of the commitment.

Unless there is verbiage from the sponsor that indicates such cost-sharing/matching funds are highly encouraged or required, it is the expectation that commitments made in grant proposals will be written to be non-auditable. Non-Auditable cost-sharing is a written means of showing institutional commitment to a project in a grant proposal without imposing an institutional burden of making that cost-sharing auditable. This can be done by writing in broad terms and leaving out specific percentages, figures and amounts. An example of non-auditable cost share would be stating a portion of a program chair's time will be spent on the project. Auditable cost-sharing is that which is verifiable from institutional accounting records or as a condition of the award. Auditable cost-sharing may include third-party or in-kind contributions which would be documented via alternate means and would include project director certification. Inclusion of auditable cost-sharing absent a sponsor mandate requires the approval of the Executive Director of Sponsored Programs. An example of auditable cost share would be stating 10% of the program chair's time.

It is imperative that grant proposals are routed through the Grants Development Office and submitted by the Sponsored Programs Office to help ensure auditable cost-sharing is not included unless necessary or approved. Additionally, cost-sharing committed to in the proposal should not exceed the amount required by the sponsor; exceptions to this must be approved by the Executive Director of Sponsored Programs. Assistance in modifying cost-sharing to be non-auditable can be obtained from the Sponsored Programs Office.

Under CFR 200.306 federal funding agencies are prohibited from considering Voluntary Cost Sharing (VCS) in the merit review process. Voluntary Cost Sharing is defined as cost-sharing

which is not required by the proposal nor reflected in the final proposal or grant award notification. It is non-auditable but is tracked for internal purposes and could be used within sponsor guidelines if budget were available. Involuntary cost-sharing is that which is required by the sponsor/agency or that which has been committed to in the grant proposal/award. Involuntary cost-sharing must be accounted for in the same manner as the sponsor funds. All applicable grant rules apply to involuntary cost-sharing funds. Some sponsors specifically prohibit the inclusion of VCS and will not fund proposals which include VCS.

Facilities and Administrative Costs

Facilities and Administrative costs (F&A or IDC {Indirect Cost}) are allowable charges against grant funds for reimbursement of the College operating costs it incurs in connection with the operation of a grant. As defined by CFR 200.56, these costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. They may include administrative and/or clerical salaries, utilities costs, office supplies, computer service, photocopies, telephone, etc.

The College uses a negotiated F&A rate approved by the Department of Health and Human Services (DHHS). Sponsored Programs Accounting is responsible for negotiating of this rate with the DHHS. The predominate portion of projects/grants should utilize the on campus rate. The off-campus rate should only be used when more than 50% of the project is performed off campus (campus equals any building owned/operated by Ivy Tech Community College of Indiana). **Budgeting and collection of Facilities and Administrative Costs (Indirect Costs {F&A/IDC}) at the maximum allowable amount is required for all sponsored projects.** The current rate can be obtained from the campus business office, Grants Development or the Sponsored Programs Office.

Specific sponsors and agencies may have published/written guidelines that dictate modified F&A rates/policies. These written exceptions are generally acceptable to be used; formal documentation should be included in the grant proposal packet. If a campus/project director wishes to waive the collection of all or a portion of F&A/IDC costs, approval must be secured from the Chief Financial Officer or designee.

Facilities and Administrative (F&A/IDC) cost recovery will be divided between campuses (60%) and Systems Office (40%). The Systems Office recovery is limited to a cap which is generated

by the Sponsored Programs Office and demonstrates an approximate cost in managing grants in the Systems Office.

B.3. Submission and Processing of Grant Proposals

B.3.a. Proposal Review & Approval Overview

Background

The Sponsored Programs Office (SPO) maintains a level of integrity with all Ivy Tech sponsored programs. This means overseeing compliance with Sponsor rules and regulations as well as with the mission, policies, and procedures of the College. Grants compliance begins during the proposal development stage, well before an award is provided to the College or Foundation. Quality proposals ensure grant funds are utilized in the stated manner and during the proposed timeline, which increases Ivy Tech's likelihood of future funding.

The SPO maintains required policies and infrastructure to support this work. All policies must be followed by any College faculty or staff submitting a grant on behalf of the College or Foundation. This section explains those policies and procedures as well as SPO's role in the pre-award process. The Ivy Tech Foundation Systems Office Grant Development Office (GDO) also has guidelines and policies that should be acknowledged when submitting a grant proposal.

Required Approvals & Review

Grant proposals written on behalf of Ivy Tech Community College and/or the Ivy Tech Foundation require review by the campus Development Office and the Systems Office GDO and SPO. The funding type and amount requested will determine the level of internal review and subsequent approvals required prior to submission. The only grant proposals that do not require a review by the GDO and SPO are privately funded grants under \$30,000. The following table outlines all review and approval requirements.

Required Approvals & Review by Position

	SVP of Business Affairs & Chief Financial Officer	AVP of Grants Management & Project Implementation	Executive Director of Sponsored Programs & Grants Compliance	SPO Grants Officer	Foundation Grants Team
Federal	x	x	x	x	x
Federal Pass-through	x	x	x	x	x
State	x	x	x	x	x
Private over \$100k	x	x	x	x	x
Private \$30k - \$99,999k			x	x	x
Private under \$30k*					
Concept Papers and Letters of Intent**					

**Private grant proposals under \$30,000 will no longer require Systems Office SPO and GDO pre-approval and review as of April 2022. The GDO team will still require a copy of the final, completed proposal submission for grant tracking purposes. The campus is also required to complete a Grant Proposal Preparation Form (GPPF).*

*** Concept papers and letters of intent will no longer require Systems Office SPO and GDO pre-approval and review as of April 2022. The GDO team will still require a copy of the final letter or concept paper for grant tracking purposes.*

B.3.b Proposal Submission Timeline

The SPO has clear timelines that must be followed to ensure adequate proposal review, approval, and submission. The Ivy Tech Foundation Systems Office Grant Development Office (GDO) also has guidelines, policies, and deadlines that staff and faculty should be aware of when submitting a grant proposal. It is the responsibility of staff and faculty involved in proposal writing to understand these requirements. No grant proposal will be submitted on behalf of the College or Foundation without following the detailed policy below. The only exception is privately funded grants under \$30,000 (see table above).

Two-Week Deadline: Final Draft Review

Application packets for all private grant proposals over \$30,000 and all State, Federal, Federal pass-through proposals must be submitted the SPO and GDO staff by 9am Eastern two weeks (14 calendar days) prior to the Sponsor's grant deadline.

The application packet must include the following grant application materials:

1. Request for proposal (RFP), Notice of Funding Opportunity (NOFO), and/or application instructions
2. Final draft proposal narrative, budget, and budget narrative
 - a. If the funder does not require a budget, the SPO still requires a budget to understand how funding will be spent
 - b. All materials should be presented as a final draft
 - i. Incomplete proposals with missing data, narrative, or budget information may not be accepted
3. Other required application materials as determined by the Sponsor (i.e., letters of support, logic model, position descriptions, etc.)
4. Scope of work (if Ivy Tech is a sub-recipient)

The materials must be sent to the following staff in one, combined email:

1. Systems Office Foundation GDO Staff
2. Systems Office SPO Executive Director of Sponsored Programs & Grants Compliance
3. Systems Office Grants Officer
4. Campus or Systems Office Grants Finance Designee (GFD) or other Grant Staff
5. Campus or Systems Office Project Director (PD)

During the initial two-week review, the GDO team will initiate the routing process and SPO will monitor compliance with Sponsor regulations as well as Ivy Tech's policies and procedures. This two-pronged review ensures the grant proposal complies, is high-quality, and complete.

GDO Review Includes:	SPO Review Includes:
Realistic and attainable metrics, goals, and key deliverables.	Realistic and attainable metrics, goals, and key deliverables.
Proposal completeness in line with RFP and application instructions.	Budget obligations, match requirements, indirect calculations, and fiscal compliance.
Comprehensive proposal review (i.e., flow, demonstrated need, data, spelling, and grammar).	Potential risk to the College.
Budget and narrative overview.	Compliance with Sponsor regulations and Ivy Tech FMM policies and procedures.

Once the initial review is complete, the GDO and SPO will provide feedback to the campus or Systems Office team leading the proposal. The team will incorporate edits and will send the completed, final proposal for the final review using the detailed policy below.

One-Week Deadline: Final Review

Following the initial review, all private grant proposals over \$30,000 and all State, Federal, Federal pass-through proposals must go through a final review. These proposals must be submitted in the complete, final form to SPO and GDO by 9am Eastern one week, five full business days, prior to the Sponsor's grant deadline. SPO defines final versions as 100% complete with no outstanding comments, missing data elements, or unfinished sections.

The complete, final application packet must include the following required materials:

1. Final proposal narrative
 - a. Clean, formatted, complete application packet (e.g., no comments or track changes, no missing data, or other information, etc.)
2. Final budget and budget narrative
3. Other required application materials as determined by the Sponsor (i.e., letters of support, logic model, position descriptions, etc.)
4. Final scope of work (if Ivy Tech is a sub-recipient)
5. Completed Grant Proposal Preparation Form (GPPF: Routed via DocuSign)
 - a. Please reference the signatory section of the FMM for signature requirements
 - b. Please note: Statewide multi-campus grants must include approvals from each campus EDF/EDA or designee and the Executive Director of Development or designee

The complete, final application packet must be sent to the following staff in one, combined email:

1. Systems Office Foundation GDO Staff
2. Systems Office SPO Executive Director of Sponsored Programs & Grants Compliance
3. Systems Office Grants Officer
4. Campus or Systems Office Grants Finance Designee (GFD) or other Grant Staff
5. Campus or Systems Office Project Director (PD)

During the final review, the Executive Director of Sponsored Programs & Grants Compliance reviews the complete, final application packet, creates an executive summary, and initiates the

College routing process. All reviewers work together to determine if a proposal is approved for submission.

Final Approval and Submission

When a proposal is approved, the Executive Director of Sponsored Programs & Grants Compliance communicates the approval decision with GDO staff and campus or Systems Office grants staff. Once approved, the campus or Systems Office SPO or GDO can proceed with the grant proposal submission on behalf of the College or Foundation for non-federal awards. For federal awards, the Systems Office SPO will submit on behalf of the campus.

Denials

If the proposal is not submitted to the SPO in final form within the two-week or five full business day requirement, the President of the Ivy Tech Foundation and the College's Senior Vice President for Business Affairs & CFO reserve the right to deny the grant submission to the Sponsor. If denied, the campus or Foundation cannot proceed with the grant submission. The denial decision will be communicated to key campus grant staff and development teams by the Systems Office Grants Development staff or the Executive Director of Sponsored Programs & Grants Compliance.

Exceptions

Few, if any, exceptions to the stated policy deadlines will be granted. It is the responsibility of the campus grants staff, campus development and Systems Office GDO and SPO to ensure proposals are following the required review and approval policies and deadlines.

To request an exception, the campus Chancellor or Systems Office Senior Vice President must submit an exception request to the Foundation President and the College's Senior Vice President of Business Affairs & Chief Financial Officer via email. The email should also include the Foundation's Assistant Vice President of Grants Development and College's Assistant Vice President of Grants Management & Project Implementation. The email must be received at least 6 business days prior to the Sponsor deadline.

The exception request email must include the following information:

1. Basic grant proposal information (i.e., Sponsor, grant deadline, funding type, funding amount, and other relevant details, sub-recipient, etc.)
2. Rationale for not meeting the required two-week policy
 - a. Include as much detail as possible to describe the situation and explain the specific reasons for not meeting the required College policy deadlines
3. Proposed timeline and status of the grant proposal
4. Additional information to support your case

It should not be expected that an exception will be granted. All exception requests will be reviewed and approved or denied by the Foundation President and the College's Senior Vice President of Business Affairs & Chief Financial Officer (CFO). The final determination will be communicated to the campus Chancellor or Systems Office Senior Vice President who submitted the initial exception request.

Disciplinary Actions

If the College Sponsored Programs FMM policy is not followed, the College or Foundation has the right to decline an award contract. Failure to comply with collegewide policies may prevent a staff or faculty member from submitting grant proposals in the future.

C.1. Overview

Sponsored program accounts include projects funded by federal, state and local governments, industry, foundations, societies, universities, and Ivy Tech Foundation funds managed by Sponsored Programs. These accounts are restricted in nature and generally require a fiscal and/or programmatic report be submitted on some regular interval (such as quarterly). In order to account accurately for sponsored projects individually, each contract or grant is accounted for in a unique fund/grant. The purpose of the individual accounting is to fulfill the requirements as stewards of these funds, being able to ensure funds are spent in accordance with College and sponsor guidelines and being able to provide comprehensive accounting for all aspects of a sponsored agreement.

Management of a sponsored account is a joint task between the campuses and Systems Office. The process begins when a campus is notified of an award. An agreement/contract is signed by the appropriate party as outlined in the Purchasing, Section J of the FMM and the campus notifies SPA of the grant via a Sponsored Program Fund Request Form. The Sponsored Programs Office will then establish a grant in the Banner system and any related funds, including

cost-share funds. The Sponsored Programs Office will notify the PD, EDF/EDA or Finance Designee of the new accounts and include a copy of the new Grant Award Notification (GAN), indicating basic grant details such as invoicing detail, and grant type.

Once a grant and related funds are established, PD's and EDF/EDA's or Finance Designee's take over primary responsibility for managing the grant in line with sponsor and College policies. Expenditures must be in line with policy and Finance staff must keep back up documentation in the account file. Depending on the specifications laid out on the GAN, campus or Systems Office staff will report fiscally on the project to the sponsor in their stated format. PD's will prepare and submit programmatic reports and copy the EDF/EDA or Finance Designee on submissions. It is the expectation that these reports be shared with the Sponsored Programs Office.

During the life of a project, accounts shall be managed with a proactive sense of accountability. At least monthly, accounts should be analyzed to discover any issues or concerns. Such items may include: accounts expiring soon, accounts in overdraft, accounts with no expenses, questionable transactions and expired accounts with balances or activity. As the grant closeout approaches, all parties should be in communication to ensure deadlines are being met and no modifications will be needed.

Grant closeout is not more than 90 days after a project has expired, but some sponsors require close out in as little as 30 days. Failure to have expenses posted and received could result in disallowance of those expenditures. The closeout procedure is typically managed by the Sponsored Programs Office but will require participation of all involved parties. Upon completion and closeout of a sponsored project, documents shall be retained in line with the document management guidelines outlined in this section E.4.h.

C.2. Grants awarded to the Ivy Tech Foundation (ITF)

By the nature of the relationship with the Foundation and many foundations require applications to be made from 501 (c)(3) organizations, many times grants will be awarded directly to the Ivy Tech Foundation. The Grant Development Office can assist in determining the appropriate applicant for each proposal. However, these grants should still be managed, as they should have been submitted, by the College staff. The management of a grant in a sponsored program account allows the College a great deal more resources in managing the grant. The College's financial systems have triggers for reports, deadlines, project periods, and are linked to the payroll and purchasing systems. These advantages combined with the ability to report on all grant expenditures and submissions from one definitive source are imperative as the College continues

in its environment of accountability. Grants awarded to the Foundation will be invoiced by the Sponsored Programs Office to Ivy Tech Foundation and Ivy Tech Foundation will still work to obtain sponsor payments directly. This process is ultimately invisible to the sponsor.

C.3. Account Management

C.3.a. Managing a Grant

Account Management is the binding concept in effective grant management. It consists of steps related to Account Maintenance, Transaction Management, Document Management, Cash Management and Closeout Management.

C.3.b. Signatures

The Grant agreement should be signed in accordance with the Purchasing, Section J of the FMM. Should a contract require the signature of the President or Chief Financial Officer, please contact Sponsored Programs Office to obtain signature. Signed original contracts should be sent to the Sponsored Programs Office for filing in the central project file. Documentation of the designees must be maintained and kept up to date in the office of the EDF/EDA.

C.4. Account Maintenance

C.4.a. Establishing a New Grant

The PD, EDF/EDA or Finance Designee, or Development representative will typically receive a signed copy of the agreement with the sponsoring agency. This signed agreement is the result of a grant proposal which was submitted via the Sponsored Programs Office. The signed agreement is utilized to complete the sponsored program fund request form by the EDF/EDA or their designee. This form will provide the Sponsored Programs Office the summary details they will need to establish the grant in Banner. In conjunction with the signed agreement, and a budget matching the award, a new grant can be established and ready to be used. If the budget in the award is modified from the grant proposal or a detailed budget was not included, the EDF/EDA or Finance Designee, PD and Sponsored Programs Office should work together to develop a detailed budget by Banner account code.

Sponsored Program Fund Request Form (SPFR)

The Sponsored Program Fund Request Form should be completed by the EDF/EDA or their designee. Details on the SPFR will be maintained in Banner; it is important that careful attention to detail is maintained on this form. The SPFR Form should be filled out as completely as possible, including the Org Code and Program Code. Please contact the Sponsored Programs Office for assistance with or questions regarding this form.

In many cases, multiple funds will be needed for any specific grant. It is not necessary to complete a separate SPFR for each fund, but it is mandatory that an attachment be included with the detail of all funds needed (Name, Purpose, Org Code [if different]). If the grant has been awarded to the Ivy Tech Foundation, it is important that the foundation account number be included on the Sponsored Program Fund Request Form. If the grant has a Cash Match Fund, the source of the matching dollars must be included on the SPFR.

Grant Establishment in Banner

Once the Sponsored Programs Office receives the SPFR, the budget, and the signed agreement, they will enter the relevant grant information in FRAGRNT (Banner) and derive all of the related funds. It is the expectation that the Sponsored Programs Office will establish grants for usage within five business days of receipt of the appropriate materials. Grant proposals submitted through the Sponsored Programs Office can be converted in the financial system into grants, bringing relevant information along with it into the Research Accounting module of Banner, reducing the timeline for grant establishment.

The start and end date must coincide with the agreement for which the grant is being established. The Termination Date drives the deadline for all entries on grants to be completed; typically it is 90 days/three months out from the end date of the grant. The Expenditure End Date is a future date not to be encountered within any specific 'Active' grant. It is 10 years past the Project End Date. It is the expectation that all grants will be closed out and completed well before the Expenditure End Date.

When the grant is established, the Project Start Date is generally the effective date. Once the grant fund is established, it is not possible to have a transaction on a date prior to the effective date, and the effective date cannot be changed to a date which has passed on existing funds.

Once a Grant and all relevant Sponsored Program Funds have been established, the Sponsored Programs Office will complete a GAN (Grant Award Notification) Form notifying each EDF/EDA or Finance Designee, and PD of the specifics of that award/fund for consistent reference between parties. This GAN will be updated and redistributed if changes occur to the original award that is not captured in Request for Grant Modifications. A Grant Management Checklist is also be sent to the PD and EDF/EDA or Finance Designee. Checklists are specific to the particular grant requirements. It will identify if/when detail codes will need to be established by the EDF/EDA or Finance Designee, what modifications require prior sponsor approval, as well as other grant specific information.

Cost-Sharing Account(s)

When cost-sharing exists the amount of time spent and/or the dollars expended on the grant must be accounted for and be auditable. This will be managed via establishment of a 'C' fund connected to the restricted grant and based within the campus operational budget line. C funds will be established by the Sponsored Programs Office, under direction from campuses via a submission of a Sponsored Program Request Form.

External third party or in-kind contributions require no College cash outlay and are generally discouraged as a means of meeting sponsor requirements for auditable cost share. However, if they are to satisfy matching requirements, they must be verifiable from the records maintained by the grant recipient. The Sponsored Programs Office must approve forms or other documentation used to capture third party or in-kind contributions.

All matching documentation required by a grant, contract or agreement must be maintained in each respective campus business office and be available for audit examination. It is imperative that all matching accounting records are maintained with the same level of detail as sponsored/restricted funds. Guidelines on expended cost-share/match dollars are identical to the grant which it is being expended upon. Cost-sharing/matching accounts are an extension of the grant award. Funds must be spent in accordance with sponsor guidelines and unspent funds will impact the project budget and likely the available sponsor dollars. Failure to meet matching obligations may result in a reduction of funding and overages become the responsibility of the campus.

Project Folders

Physically establishing a project folder is an important task. Files must be maintained to keep documentation on grant correspondence, transaction information, award notifications, award modifications, and other project related information.

Meeting with Project Director

When a campus receives a new grant, one of the most valuable activities that can occur is a meeting between the finance staff and the Project Director for the new grant. The new Project Director may have many questions or concerns about policies and procedures and it will be important for the EDF/EDA or their designee to make contact to start the fiscal life of the grant off quickly and accurately.

Topics could include:

- Payroll Distribution Changes
- Budget Review
- Reporting Review
- Ordering process review
- PD Training from Sponsored Programs Office
- Timeliness of purchases
- Sponsor specific guidance

C.4.b. Modifying a Grant

When a grant modification is received by the office of the EDF/EDA or Finance Designee, the PD, the EDD, or the Sponsored Programs Office, it shall be shared with all the parties who reviewed/approved the initial proposal. It is the responsibility of Sponsored Programs Office to modify the electronic records and maintain a copy of the approved modification in the Systems Office grant file.

Prior Approval Grant Modifications

PD and Finance staff should partner together to prepare sponsored project prior approval amendments in line with sponsor expectations regarding format and signature. Prior Approval is functionally defined as the written permission of an authorized official (typically sponsor/agency) prior to the incidence of an action on a grant that would result in a need for

amendment to an existing grant/contract. Common examples include: extension of project period, budget modification, purchase of non-budgeted capital equipment. The Sponsored Programs Office is the Systems Office resource responsible for providing guidance and submitting requests which do not flow through the PD or Development Office. Additionally, proposed modifications should be shared with campus Development Offices to ensure stewardship of the relationship.

Requests should be completed at least 45 days in advance of the effective date or 'need.' Once sponsor approval is obtained, the College's Request for Grant Modification Form (RGM) must be completed and signed by the Project Director and EDF/EDA or Finance Designee. The RGM form and a copy of the sponsor approval must be sent to the Sponsored Programs Office within a timely manner. This ensures allowable/authorized project adjustments can be made within the official financial records of the College during the effective funding period of the project.

Monthly monitoring of grants will allow Finance staff and PD's to forecast their immediate needs for any budget modifications/revisions. Typically the budget revision will be prepared in line with the original grant submission guidelines showing the changes and documenting the justification for the changes in writing. It is important to note that typically a budget revision should not impact the project scope or outcome. Should it do so, it must be adequately documented for sponsor approval.

Expanded Authority

Certain sponsors and agreements have delegated expanded authority to the sponsoring institution. This authority provides the institution the ability to make some grant modifications without seeking approval from the sponsor. Instances which have been delegated are outlined below and approval must be garnered from the Sponsored Programs Office, requests must be submitted to the Sponsored Programs Office not less than 45 days in advance of end date or 'need.' The Sponsored Programs Office should be contacted by the PD or EDF/EDA or their designee to initiate changes whose authority has been delegated. Any contract/agreement specifics would supersede those guidelines listed below.

Definitions of processes delegated Expanded Authority (require at minimum Sponsored Programs Office Approval)

- Budget Line-Item Modification – Re-budgeting within direct costs to accomplish the project objectives without a request for additional funds
- 90 Day Pre-award – Authority to incur costs up to 90 days prior to a grant start date. In order to incur costs prior to the start date, the costs must be imperative to the success of the project. Should the project not be received for any reason, the campus shall be responsible for any pre-award expenditure made.
- Single No-Cost Extension from original end date - extension of project period to meet project deliverables. The Sponsored Programs Office must notify sponsor 30 days before end date. Must be to request additional time to accomplish project objectives or phase out a project which is ending. A remaining grant balance is not a justification for an extension.

Agencies with expanded authority – authority varies by sponsor, work with the Sponsored Programs Office for guidance

- ONR – Office of Naval Research (except no-cost extensions)
- NASA – National Aeronautics and Space Administration
- NSF – National Science Foundation
- USDA/CSREES – Cooperative State Research Education and Extension Service
- US-Ed – US Dept of Education
- NIH/PHS – National Institutes of Health/Public Health Service
- NOAA – Nat'l Oceanic & Atmospheric Administration
- DOE – US Dept of Energy
- EPA – Environmental Protection Agency
- ARO – Army Research Office
- AFOSR – Air Force Office of Scientific Research
- EDA – Economic Development Agency

C.4.c Subcontracting and subrecipient monitoring

The determination for whether each agreement the College is making on an active award casts the receiving party into a subrecipient role or a contractor role lies with Ivy Tech Community College. This determination will be made by the Sponsored Programs Office, with consultation by all involved parties, based on the available knowledge of the relationship and any additional guidance given by the awarding agency.

At the time of proposal or when a subrecipient agreement is drafted, an assessment of the risk that subrecipient poses should be completed using a Subrecipient Risk Analysis Tool developed by the Sponsored Programs Office. This assessment will help define the necessary monitoring for this particular subaward.

When establishing a subcontractual relationship – the agreement must contain the following data elements in addition to the standard terms being flowed from the prime, statement of work, budget, payment terms, invoice terms, closeout terms, at minimum the following data elements(200.331):

- Subrecipient Name and DUNS Number – these must match
- Federal Award Identification Number (FAIN) (if applicable)
- Federal Award Date
- Subaward Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this action
- Total Amount of Federal Funds Obligated to the Subrecipient
- Total Amount of the Federal Award
- Federal Project Description
- Name of Federal Awarding Agency, Pass-through entity and contact information for awarding Official
- CFDA Number and Name
- Identification of whether the award is R&D
- Indirect Cost Rate for the Federal Award

A template for a subcontract is available from the Sponsored Programs Office. Fixed amount subawards may not pass the Simplified Acquisition Threshold. Indirect costs for subrecipients who have an approved federally negotiated rate must be included at that agreement/budget/proposal. If the subrecipient does not have a federally negotiated F&A rate, they are required to use a de minimis F&A rate, except when the subrecipient is able to allocate and charge 100% of its costs directly.

Responsibility for monitoring the subagreements is managed by the Sponsored Programs Office but takes the joint effort of all the involved parties. Ivy Tech Community College is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure

proper stewardship of sponsor funds. In addition to ensuring the subrecipient makes progress in achieving performance goals, the College must also confirm that subrecipients are complying with Federal laws and regulations as well as any additional provisions of the specific agreement. This subrecipient monitoring policy applies to all subawards issued under sponsored programs without regard to the primary source of the funding. A subrecipient monitoring plan will be established for each subcontract based partially on the results of the Subrecipient Risk Assessment. Frequent communication between the project director, Sponsored Programs Office and the campus finance staff is essential to ensure effective management and compliance. At minimum, as defined by CFR 200.331.d the subrecipient will have required financial and programmatic reports reviewed by program and financial staff, invoices reviewed for relevant progress and approved by the project director, prompt follow-up on any deficiencies, and management decisions delivered by Ivy Tech on any audit findings pertaining to the award provided to the subrecipient from the pass-through entity (200.521). Additional measures for higher risk subrecipients could include but are not limited to providing training, performing on-site reviews, more frequent invoicing, and additional reporting measures.

C.5. Transaction Management

It is the responsibility of the site PD and EDF/EDA to assure that all expenditures charged to sponsored agreements are appropriate, allowable, reasonable, allocable and in accordance with all applicable federal and state laws and regulations.

Each purchase should be reviewed by the project director (academic) approval and appropriate fiscal authorization. Project Directors can delegate their authority for approval to other staff in the eProcurement system via their EDF/EDA or their designees.

C.5.a. Procurement

It is mandatory that purchases on a grant account follow not only the College purchasing policies, but also the particular terms of the agreement (including flow down clauses). Many sponsors have specific restrictions on items such as the purchase of equipment and computers. Consult the grant agreement, the Sponsored Programs Office for assistance in identifying sponsor specific purchasing protocol.

Goods and services must be purchased, and received within the project period to be of benefit to the grant. Timing of purchases should be scrutinized. It may be difficult to justify an expense for furniture in the final months of a grant. However, if the grant's purpose was to prepare a

classroom for students, the expense could likely be justified. The bottom line is that the goods received must benefit the project during the project.

For travel expenses funded by grants, the College's travel policies outlined in Section H of the FMM must be followed. The business purpose of travel must be documented in Chrome River and should include the following:

- Who attended or received the benefit from the expenditure;
- What purpose the expenditure served, why the expense was necessary, or how it furthered the grant's goals; and
- When and where the expense took place.

Another important aspect of payroll management in respect to grants is the start and end dates of grants. It is important to start faculty/staff on a grant as soon as the grant is established. A delay in setting up payroll could cause issues to pay periods which have passed, or those which have been certified. Conversely, when a grant is ending it is important to be proactive in moving faculty/staff off of a grant and onto another source of funding. Failure to move faculty/staff off of grants could result in a need to process payroll redistribution, impede the grant closing process and affect future funding.

C.5.b. Allowable Sponsored Project Expenses

In order for a cost to be charged to a sponsored project, it must be allowable. There are 4 principles outlined in the 2 CFR 200 Uniform Guidance which describe the considerations affecting allowability of costs. The expense must be reasonable, allocable to the project, consistently treated and allowable within the parameters of College and sponsor guidelines.

Reasonableness

Is the price of the item and the quantity appropriate given the unique circumstances of the grant/purchase occurring at the time expense is being incurred? Would a reasonable person view the expense as in line with expectations?

Allocability

Does the expense benefit the project? Is it necessary to conduct the work of the project? Is it easily tied to the specific project?

Consistent Treatment

Regardless of the source of funding, is the expense being handled in a similar fashion across the College? It is not appropriate to have a surcharge for expenses on grants or separate allowances approving purchases on grants which may not be allowable on College operation funds.

Allowable

The expense is not expressly forbidden in the sponsor guidelines, government regulations, or the contract/grant requirements.

C.5.c. Unallowable Sponsored Project Expenses

In accordance with OMB CFR 200.407, the following costs should not be borne on federal grants. It is the policy of the College that when the allowability of expenditures is being considered all grants be treated as federal grants unless award documentation or sponsor approval would indicate otherwise. In any case, should an approved award explicitly state that such expenses are allowable, then that would supersede the OMB guidance.

Examples of Unallowable Expenses

- Advertising and Public Relations
- Alcohol
- Alumni Activities
- Bad Debts
- Charitable Donations
- Entertainment
- Fines and Penalties
- First Class or other Non-Coach Travel
- Fund Raising and Investment Management Costs
- Goods or Services for Personal Use
- Insurance and Indemnification

- Memberships, Subscriptions and Professional Activity

C.5.d. Unlike Circumstances

In some instances it may be appropriate to charge an ‘unallowable’ expense or an expense which is typically considered an indirect cost to a sponsored project. This should be documented via an Unlike Circumstances form which has been reviewed and approved by Sponsored Program Accounting. This approval will be maintained in the project file and referenced on purchases or journal entries for relevant expenses. These costs must:

- Be specifically identifiable with the objectives of the project with relative ease and a high degree of accuracy
- Be relatively extensive – (fairly significant dollar amounts)
- Be included in the grant proposal budget, justification, project narrative, or approved separately by the sponsor
- Be justified adequately on the documentation for such charges

C.5.e. Payroll and Time and Effort Certification

Payroll maintenance is one of the most important parts of grant management. Not only is payroll the base of the College’s indirect cost rate, it is also the item that makes up the bulk of a College’s expenses. Therefore, it has a significant impact if it isn’t managed appropriately.

Effort certification is detailed below, but in summary, on Federal Grants, Federal pass-through and Perkins funds (at minimum) the College requires staff paid on grant funds to have their effort certified after the fact via signature of their supervisor or project director/staff member with first-hand knowledge of the work being completed on the project at the conclusion of each pay period on the Time and Effort Certification Report. This certification indicates that the supervisor verifies the staff member did in fact spend the allocated amount of time on the grant (approximated over a longer length of time). Once certified, it is difficult to explain how a staff member was certified to a grant, but later is being moved off that grant or onto another.

Any employee who receives compensation for personnel services, either in full, or partially from a grant, contract or agreement directly or indirectly funded (federal pass through) by the federal government must have his/her effort certified on a ‘Time and Effort Cert Report.’ This includes

employees receiving compensation for personal services which are funded as cost-sharing on a directly or indirectly funded federal project.

Compensation for personnel services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges are for work performed directly on sponsored agreements and for other work allocable as indirect costs are determined and supported, or for maintenance of effort purposes.

General Requirements

After-the-fact Activity Records have been adopted by the College as the method used to support the time and effort reporting requirement. The report will reflect an after-the-fact reporting of the percentage distribution of an employee's activity on a sponsored project. Charges are made initially on the basis of estimates made before the services are performed. Activity reports, completed by the Project Director, will reflect an after-the-fact reporting of the actual percentage distribution of activity of employees. If significant (>5%) differences between the charges and actual distribution, the charges must be promptly adjusted to reflect actual activity. Short-term, such as one or two month fluctuations between workload categories, need not be considered as long as the distribution of salaries and wages is reasonable over the longer term (e.g. 120 days). To confirm that the distribution of activity represents a reasonable estimate during the period, the College has determined that the employee's supervisor or staff member/project director with firsthand knowledge will be required to sign and verify the time and effort certification report and activity reports must be completed and signed by the Project Director. The Banner Payroll System will generate a Time Certification Report which will be distributed to the appropriate personnel every payroll by the Payroll Processing Center. This report is to be verified and returned to the Payroll Processing Center prior to the employee's next payroll.

The Finance Office should review NHIDIST for required changes to the labor and/or benefit account distribution that must occur. If a change in account distribution is necessary, the business office will prepare payroll redistribution (PHAREDS). The PHAREDS form includes a signature line for Time Certification. The completed PHAREDS form along with backup documentation should be uploaded to the To Be Reviewed by Grants folder in the Shared (I:) drive for processing. The redistribution should be processed no later than 90 days after the payroll has

been processed. If a grant or contract is ending, immediate processing may be necessary to include the changes in the final fiscal report. Otherwise the funds may not be reimbursed and, therefore, the campus Operations Fund would be charged. If the account distribution is a permanent change, the Human Resources Department must be notified to update the labor distribution on the employee's position in Banner.

Once a Time Certification report is certified it should not be changed. Any changes would require documentation and explanation relating to the nature of the incorrect certification and propriety of any changes. Moving charges/salary off of a grant does still require review, and documentation should be included regarding the reasoning. The PHAREDS must be attached to the approved Time and Effort Certification which showed the change or a new Time and Effort Certification must be manually generated by the EDF/EDA or their designee. This time certification must include the time and effort certification statement and be routed for approval to the appropriate staff.

The Time Certification Report will be incorporated into the official records of the institution. It will reasonably reflect the activity for which the employee is compensated by the institution and it will encompass both sponsored and all other activities on an integrated basis.

Background/Process Requirements

One Time Certification will be generated per employee paid on funds requiring certification.

Time Certification reports are generated for employees who are paid on grants which are labeled as Federal, Non-Federal A-21 Reporting, and Pass-Through Receiver in FRAGRNT. If a faculty or staff member is removed from any grant, Human Resources and Payroll should be notified.

C.5.f. Correcting Documents

Ideally, the College would operate in a fiscal environment free of correcting documents. The reality of the matter is that it is not feasible to expect to have no correcting documents, however, it is the expectation that the use of a correcting document should be minimized as much as possible, and should never be the norm for handling transactions. If the campus has a process which requires frequent correcting documents be processed, please contact the Sponsored Programs Office to evaluate the effectiveness of the process and determine if alternate methodology could be instituted to post charges correctly initially.

Correcting documents are a primary focus of concern when agencies conduct audits. The more transactions are being shifted onto or from sponsored project accounts after the initial entries raise the level of an agency's concern. Frequent, late, unexplained or poorly explained cost-transfers or corrections raise serious questions about the appropriateness of those adjustments as well as focus on the overall reliability of the College's accounting systems and internal controls. These speculations are only heightened when the grant in question is in overdraft or has a remaining balance.

The timeliness of entries is also a point of contention. It is difficult to justify correction of any charges greater than 90 days after the month-end in which the entry posted. It is the expectation that any corrections that are needed are made promptly, within the month following the closing month where the error occurred. All journal entries for charges which are greater than 90 days after the month-end close of their posting will require justification for the lateness of the correction. Failure to include such a justification will result in disallowance of the charge on the grant.

College procedures for correcting documents involving grants are established in accordance with federal accountability requirements contained in the Office of Management Budget (OMB CFR 200 Subpart E) "Cost Principles." Entries which are disallowed on grants will be transferred to campus operating funds in coordination with the campus EDF/EDA or their designee.

Cost-Transfers on Sponsored Projects

This guideline is being issued to ensure the integrity of the College's charging practices for sponsored program accounts after it had been charged elsewhere in the College's accounting system and to ensure compliance with sponsor terms and conditions, regulations and College policies.

When cost transfers to move expenses involve sponsored project accounts, it is critical that the transfer meet the requirements for allowability, allocability, reasonableness, and consistency that are addressed in this financial management manual in line with CFR 200 Subpart E.

It is noted that all sponsors could view frequent and/or late cost transfers and those which are inadequately documented or poorly explained as indicative of poor fiscal or project

monitoring. Diligent review of financial records and timely communication between EDF/EDA or Finance Designees, PDs, and the Sponsored Programs Office should prevent the necessity of transfers; however, under certain circumstances they may be appropriate.

The College is committed to ensuring that all cost-transfers are legitimate and conducted in accordance with sponsor terms and conditions, regulations and College policy.

Any transfers **MUST** be supported by documentation which contains a full explanation of the error, why it occurred and evidence of the appropriateness of the expense/entry to the account being impacted.

Cost Transfers should not be viewed or utilized as a tool to manage awards – they are a means for correction. Journal entries for reconciliation of credit card expenses and allocation of photocopying and postage charges are not recognized as cost-transfers (NOTE: photocopying and postage are typically F&A/IDC and if charged to grants require an Unlike Circumstances Form).

Cost Transfers should be prepared as soon as the need is identified. If the College is aware of an inappropriate charge on a sponsored account, it should be removed expeditiously. Charges in excess of 90 days cannot be moved to a grant without justification for the tardiness of the entry.

PDs and EDF/EDAs share a dual responsibility for quick and accurate preparation and documentation for cost-transfers.

Journal Entries

When it is determined that a Journal Entry should be prepared to correct a charge to a sponsored project, it is imperative that appropriate documentation be included with the correction.

Back-up documentation consists of evidence of the inappropriate charge and the reason the inappropriate charge occurred. This documentation must be able to establish the allocability of the charge to the project.

Entries posting charges to a grant must include certification of the project director or another with first-hand knowledge of the transaction.

The journal entry will require a written justification explaining the correction. This explanation can be put in the 'Document Text' field or attached as a separate document. The justification should clearly explain to an auditor who picks up the file in 5 years why the correction was needed. Explain why and how the error occurred, why the entry appropriately corrects the problem, and any steps taken to avoid the error reoccurring.

The written justification should include:

- Original Transaction Information (Doc #, Date, Entry Type)
- Explanation for how and why error occurred
- Explanation of proper project allocability
- Justification for late correction (if necessary)

Payroll Redistribution

When payroll redistribution must occur, it is mandatory that the payroll redistribution be backed up with the certification by the project director that the charges are correct.

The entries to redistribute payroll must be done on a timely basis. Entries greater than 90 days after the payroll date are considered questionable and must include justification of the propriety of the correction.

Any entry to change payroll which had been previously certified to another grant is highly suspect and documentation should be carefully maintained to explain why effort had been certified on an alternate project. Documentation should also be maintained which shows evidence of an attempt to correct the error which caused the improper certification.

C.5.g. Document Management

Subject to any additional requirements from Ivy Tech Community College's Document retention policy (detailed in **Section D of the Financial Management Manual**), it is Ivy Tech's policy to maintain files for 5 years after the end date of the project, this is not to be less than 3 years after the date of submission of the final expenditure report. Federal requirements regarding sponsored programs record retention will be followed, these are enumerated below.

CFR 200.333 outlines the record retention requirements as well as the access guidelines for universities, hospitals and other not-for-profits receiving grants from the federal government. Subpart C.53 (b) states:

Financial records, supporting documents, statistical records, and all other College records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon the College. The only exceptions are the following:

- (a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- (b) When the College is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- (c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- (d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the College.
- (e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the College's fiscal year in which the program income is earned.
- (f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records.

C.5.h. Campus Risk Backed Accounts

In rare instances, a campus will desire to have a grant established within Banner prior to all of the paperwork being fully executed and received. In these instances, the campus may request the grant be established while bearing all risk for any expenses which may come to be unallowable on the grant. The EDF/EDA must acknowledge acceptance of the risk and grants must be fully executed within 90 days. After 90 days, absent approval from the Sponsored Programs Office, expenses will need to be shifted back to the campus. In limited instances when perceived risk is minimal or operations may suffer due to a delayed grant agreement, Systems Office may also proceed with a risk backed account establishment. These Systems Office Risk Backed accounts require the approval of the Chief Financial Officer.

C.6. Cash Management

Cash for Ivy Tech sponsored projects is typically managed on a reimbursement basis. Sponsored Programs cash is managed at the individual fund level.

C.6.a. Billing/Invoicing

All grant invoicing is handled by the Sponsored Programs Office. Based on the grant agreement, invoices may be submitted monthly or quarterly. There is an exception if there are no expenses on a grant during the quarter.

Cash and checks are deposited into a holding fund prior to being reconciled to the appropriate restricted fund. Wires/ACH may be directly reconciled into the restricted fund. If a campus

receives a check it should be deposited into their holding fund (R99999) and the Sponsored Programs Office needs to be notified.

C.6.b. Cash Reconciliation

Cash Receipts should be reconciled not less than quarterly to ensure the amounts reconciled into the restricted funds are consistent with the amounts billed/invoiced to the agencies. Typically and more appropriately, cash should be reconciled at each billing.

C.7. Monthly Expectations

C.7.a. Overdrafts

Management reporting is available for all staff to review their campus management overdrafts. The Sponsored Programs Office will contact campus EDF/EDA or Finance Designee on overdrafts to investigate steps underway to correct overdrafts.

C.7.b. Accounts Receivable

Systems Office should maintain a list of invoices/bills and their 'age.' The Business Office should contact the agency at 30, 60 and 90 days to request payment. Duplicate invoices can be generated. At 120 days delinquent, the Executive Director of Finance/Administration and the Executive Director of Sponsored Programs should be notified to investigate and recommend appropriate action. These reviews should occur at each billing and not less than monthly to maintain up to date accounts receivable records.

C.7.c. Expired Projects/Closing Accounts

EDF/EDA and PD staff are responsible for the review and preparation in advance of projects which are expiring. Accounts expiring in 30, 60, and 90 days are included on the monthly account management reports and should be reviewed and discussed with the Project Director to ensure spending and project goals are being met. Prepare in advance for any prior approval modification requests which will be needed and ensure the account is ready to be closed after the project period end-date. Accounts should be reviewed not less than monthly to evaluate expired and expiring projects.

C.7.d. Transactions on Inactive/Closed Accounts

Lists of transactions which occurred on expired or expiring accounts are included in the monthly management report. These transactions should be reviewed to ensure they are appropriate. This is a good way to help ensure salaries are not charged to a closed or inactive project, which might occur if salary distribution was not updated at project closeout.

C.7.e. Cash Deficit

Accounts whose cash balance is in deficit should be reviewed not less than monthly. Provided a billing has been generated and the billing is equivalent to the overdraft at the prior month-end, no immediate action is required. The Sponsored Programs Office should develop a plan of action and communicate with the sponsor. A management report is available for consistent review of accounts in cash deficit.

C.7.f. Questionable Transaction Listing

A listing of 'questionable' transactions is also included in the management report. This listing is based on a selection of account codes which may be typically unallowable, typically indirect or may require prior approval. These transactions should be reviewed by the EDF/EDA or their designee (business office) monthly to ensure no follow-up action is required; removing the charge, obtaining sponsor approval, completing an unlike circumstance form. If the charge is an allowable direct expense no action is required. Expenses for items such as food, professional development, memberships, promotion, advertisement and recruitment may be indicative of an improper usage of funds. A sample list of unallowable expenses is located in the transaction management section of this manual.

Expenses which are deemed inappropriate for the grant account should be removed to College funds via journal entry as soon as determination is made. In cases of uncertainty, err on the side of conservative thought and remove the charge from the grant.

C.8. Annual Expectations

C.8.a. Management Outline

The Executive Director of Sponsored Programs and the office of the EDF/EDA should maintain an active and open dialogue to discuss active grants in the campus, training needs and address any other concerns relating to grants.

The Sponsored Programs Office should maintain updated training materials for delivery to new staff with Grant responsibilities or refreshers for existing staff.

New Project Directors have training opportunities made available from the Sponsored Programs Office to help familiarize themselves with grant management expectations and federal guidelines which will dictate their account management responsibilities.

C.8.b. Year End

At year-end, closing entries are made to record Accounts Receivable and apply Deferred Revenues (if applicable) as of June 30th for all Sponsored Program Funds. Those A/R are reduced when cash is received and remaining deferred revenues are reduced when the expenditures are reported.

Ongoing sponsored programs are carried forward automatically by reflecting 6/30 budget balances.

C.8.c. Conflict of Interest Management

Ivy Tech maintains a rigorous conflict of interest (COI) policy in the employee handbook. Section 200.112 of the Uniform Guidance requires the College to take the COI policy two steps further for staff engaged as a project director or key personnel on a federal award. Sponsored Program Accounting will proactively seek conflicts of interest by requesting Conflict of Interest Disclosure Forms (COIDF) by project directors and key personnel not less than annually who are engaged in Direct Federal Awards and any pass-through federal awards. The Sponsored Programs Office will send out annual certification forms and maintain a log ensuring all are returned. A centralized record of COIDF's will be maintained in the Sponsored Programs Office. If a conflict of interest does exist, it will be forwarded to the standard review and mediation practice. Once the conflict of interest is addressed, these conflicts of interest and their circumstances and solutions must be disclosed to the respective federal agency or awarding agency of pass-through dollars.

C.9. Closeout Expectations

C.9.a. PD/EDF/EDA

Office of EDF/EDA shall have grants ready to close not more than 15 days after the project expired, with the exception of sponsors (e.g. Department of Workforce Development 10 days) who require final fiscal reports earlier. This includes reviewing charges, clearing overdrafts, moving post-period charges and other actions as appropriate.

Project ending should be discussed with PD at 30, 60, 90 days remaining to ensure all aspects were being brought to a successful close.

C.9.b. Sponsored Programs Office

The Sponsored Programs Office is responsible for submission of final fiscal reports and closeout materials to sponsors/agencies. Sponsored Programs will work with campuses to acquire signatures on documents needing campus certification, equipment inventories, etc.

Sponsored Programs will invoice/report with what is anticipated to be the most reasonable expectation of final invoices and failure to have accounts prepared for close could result in disallowance of some expenses which hadn't been posted or corrected within the 90 day time frame (or less depending on sponsor regulations).

Account Closeout shall be completed with a complete reconciliation of the account and cash. The project shall be closed in Banner and the file shall be inspected to ensure award amendments and important sponsor correspondences are maintained.

D. Published Guidance

In addition to noted special terms and conditions or referenced regulations and state or federal laws, the following items (not to be considered totally inclusive) may be applicable to a particular grant or contract depending on the funding source:

- Education Department General Administrative Regulations (EDGAR)
- Department of Labor Titles 20, 29, and 41 of the Code of Federal Regulations
- Job Training Partnership Act and Implementing Regulations

- State of Indiana Management and Cost Principles for Administering Job Training Programs Under the Job Training Partnership Act
- Notice of 2/28/80 Updated Listing of Federal Agencies Responsible for Approval of Cost Allocation Plans and Other Cost Proposals of State and Local Governments (pages A-87:8 through A-87:20)
- OMB 2 CFR Chapter 1, Chapter II, Part 200, et al.

III. Gift Funds at Ivy Tech

A. Overview

Gift funds within Ivy Tech Community College's financial system are established to assist in accurate tracking of expenses using funds given to the College as a gift for which the donor is requiring nothing of value in return. Consideration in that matter should be given to current Ivy Tech policies surrounding the value of and process for accepting gifts. Use of the Ivy Tech Gift fund does not override nor circumvent any existing policy nor should the funds be used in this manner.

Specifically gift funds are to be set up in the Ivy Tech accounting system only when it is appropriate for a given situation. Instances when gifts have been given to the College/Foundation in excess of \$2,999 are able to have individual gift funds established for the donor's intent. Many times these will be directed towards a specific program or activity. General departmental or campus gift funds may be established at the onset of this policy, providing the College a place and process to bear expenses meant for reimbursement from the Foundation using funds given for general departmental, campus needs, or one-time instances beneath the \$3,000 threshold for individual gift funds.

Funds must be received from individuals, corporations, partnerships, foundations and/or associations. Funds given through one of the aforementioned entities that are receiving funds from a governmental prime contract are considered to be coming from a governmental agency (Federal, State or Local). Funds must be nonreciprocal in nature. The College should have flexibility to spend the funds as it sees fit to fulfill the donor's intent, and not be held to seek approval for changes, return unexpended funds, or maintain a record of fund expenditures for donor audit. The donor should not specify terms governing the gift, place requirements of liability or indemnity on the College, claim any ownership or licensing from outcomes of the gift, or identify any reciprocal or preferential treatment from or related to the gift. If any of these

terms do exist, the funds should be established in a restricted sponsored program fund described above.

The advantages of using the gift fund versus bearing expenses in the general funds, tracking manually and seeking reimbursement from the foundation are two-fold. This includes more accurately reporting the type of funds utilized for the expenditure, and also providing a system to make and track those expenses. This system will be particularly useful when one considers the budgeting of personnel on non-recurring donor dollars. The gift fund is intended to benefit the campus in tracking and seeking reimbursement for gift fund expenses, expending gift funds more effectively and assist in the budgeting of personnel who are funded via non-recurring restricted sources.

B. Fund types:

Fund Type 23 Restricted Gift Funds

Fund Type 18 Unrestricted Gift Funds

Gift funds will be established to allow a single org to have multiple gift funds. The fund will default the org and program code in Banner's finance system. Pulling from the Latin word for gift, Munus, gift funds will be established with an M predecessor (e.g. M00001, M00002) and will be sequential. End dates will be established as 12/31/2099 unless gift documentation establishes an end date which differs.

C. Management of gift funds

Restricted Gift Funds - Fund Type 23

Management of Restricted gift funds will fall under the direction of the Executive Director of Sponsored Programs. Sponsored Programs is responsible for the establishment of restricted gift funds, monthly monitoring of cash balances and manual budgeting.

This fund will account for gift expenditures and receipts which are general or nonrecurring. A single General Gift Fund will be established for each campus. One-time gift-expenses and campus restricted gifts should be expended via this fund.

1. Budget
 - a. General Gift Funds will be budgeted annually based on estimated expenses, budgets may be increased or decreased to reflect realistic annual revenues.
 - b. Budgets will not carry forward at year end.
 - c. Expenses will be available yearly or as inception to date.
 - d. Campuses maintain responsibility for budgeted amounts and cash receipts.
2. Balance
 - a. It is realized that these funds are typically going to be funded with cash held at the Ivy Tech Foundation. Campuses are expected to invoice these gift funds monthly to the Ivy Tech Foundation.
 - b. It is the expectation that funds be fully invoiced at year-end and cash balances brought to zero, at minimum the receivable must be equivalent to the deficit in the fund.
 - c. Maintaining cash balances above 10% of annual budgeted expenses at year end could require justification of the balance and the associated spend down plan at the request of the Sponsored Programs Office.

Specialized Restricted Gift Funds – Fund Type 23

These funds will be established to track revenues and expenditures for specified donor intent funds. These are intended to be used for needs which are recurring or not insignificant (>\$2,999)

1. Budget
 - a. Specialized Restricted Gift Funds will be budgeted annually based on the donors' intent.
 - b. Budgets may be increased or decreased to reflect realistic Life-To-Date revenues over the life of the gift.
2. Budgets will be year to date and will not carry-forward at year end. Expenses will be available yearly or as inception-to-date
3. Campuses maintain responsibility for budgeted amounts and cash receipts.

Unrestricted Gift Funds – Fund Type 18

Management of unrestricted Gift Funds will fall under the direction of the Assistant Vice President, Accounting and Financial Reporting.

1. Budget

- a. Unrestricted Gift Funds will be budgeted annually based on estimated expenses, budgets may be increased or decreased to reflect realistic annual revenues.
- b. Budgets will be year to date and expenses will be available as inception to date or year to date.

2. Balance

- a. It is understood that these funds are typically going to be funded with cash held at the Ivy Tech Foundation. Campuses are expected to invoice these gift funds monthly and not less than annually to the Ivy Tech Foundation.
- b. It is the expectation that funds be fully invoiced at year-end and cash balances brought to zero, at minimum the receivable must be equivalent the cash deficit in the fund.
- c. Maintaining cash balances above 10% of annual budgeted expenses at year end may require justification of the balance and the associated spend down plan as directed by the Sponsored Programs Office.

Cash Balances and Management Balances in College Held Gift Funds

Most Gift funds will draw cash from foundation held funds on a reimbursement basis. Instances when a gift is given directly to the College will allow those funds to be deposited directly into the gift fund, but steps must be taken to ensure the Foundation is aware of the gift and fulfills any reporting, stewardship and tax obligations related to that gift.

Cash balances in gift funds will typically be negative, but should be invoiced monthly to fund expenditures on the gift fund. Cash balance must be zeroed out (or made positive) during the year end close process. Management balances (budget based) should be positive. Account balances should be reviewed and appropriate action taken as needed, preferably monthly but not less than annually.

Fiscal Year-End

At fiscal year-end gift funds must be reconciled and cash balances must be made zero or positive.

Budget Balances at year end will not be carried forward in preparation for the new year-budget.

Cash balances maintained at above 10% of the budgeted expenses will need to be justified annually to the Executive Director of Sponsored Programs.

Campuses should budget their gift fund, budgets will be established in Banner by Sponsored Programs for both restricted and unrestricted gifts.

Campuses will be able to request a new gift fund by completing a Gift Fund Request form. Additional gift funds should be established only for purposes which are intended to be recurring or are not insignificant.

D. Approvals

Approvals in Ivy Markets will follow the organizational approving path for the default organization code provided at gift fund establishment

Approvals for journal entries will require the Sponsored Programs Office approval for Restricted Gift funds and the Operations and Agency Fund Approval process for unrestricted gift funds. At inception each campus will have a General Restricted and Unrestricted Gift fund.

All applicable College policies still apply – the funds cannot be used for expenses deemed otherwise unallowable.

Budgets – as part of the annual budgeting process, campuses will review and estimate gift fund expenses/revenues for the coming year, requesting a budget be established in that gift fund.

Budgets will not carry forward at year end for unrestricted gifts, expenses and budgets will be available to be tracked on an inception to date basis for restricted gifts.

E. Transfers

The only funds that can be transferred into a gift fund are those given expressly for the purpose as a donation or those coming from the Ivy Tech Foundation. It is not appropriate to transfer other restricted or unrestricted funds in a gift fund. Including, but not limited to general funds, physical plant funds, reserve funds, or carry-forward funds. If funds were transferred out of a gift fund into an alternate funding source but are being returned to the gift fund, this is acceptable. An example would be gift funds transferred into a cost-share account which was not fully

expended and under the direction of Sponsored Programs could be returned to the original funding source.

Updated May 2, 2022