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Overview

Introduction/Purpose

The purpose of this document is to work with staff, faculty, and students in order to ensure that PTC is able to apply for, secure, and manage grants from foundation, corporate and federal funding sources in a manner that ensures compliance and limits the college's exposure to grant-related legal liability. The information within is not meant to be punitive but rather to ensure that all opportunities are first vetted internally and evaluated regarding the college's overall strategic plans and priorities.

To ensure consistency and accountability, and to ensure that all grant ideas have been approved by Department Chairs and Leadership, all grant applications must be submitted through PTC Advancement in conjunction with the Grants Manager. The Grants Manager will oversee all requests, application submissions, acceptances, and post award and closeout requirements, including programmatic and financial reporting.

Definitions

Authorized Organization Representative (AOR): submits a grant application on behalf of a company, organization, institution, or government. AORs have the authority to sign grant applications and the required certifications and/or assurances that are necessary to fulfill the requirements of the application process.

Cash Match: Includes actual cash spent by grant recipients for project-related costs. Accounting records should be verifiable and trace back to source documentation.

Contracts: Written agreements entered into by the awarding agency, recipients, or sub-recipients, and commercial (profit-making) and non-profit organizations.

Direct Cost: Costs that can be specifically identified with a particular cost objective or program; charged directly as part of the cost of the program.

Drawdown: A process whereby a request is made to receive federal funds, either as reimbursement for expenses incurred or in advance in anticipation of expenditure of funds.

Grant: A financial award given by the federal, state, or local government, or a private entity to an eligible grantee, usually with a defined scope of activities or programmatic objectives. Grants are not expected to be repaid by the recipient. Grants doe does not include technical assistance or other forms of financial assistance such as a loan or loan guarantee, an interest rate subsidy, direct appropriation, or revenue sharing.

Grantor: Primary awarding agency (e.g., federal, state government).

Grantee: The direct recipient of a grant award who is legally bound by the grantor's award or contract.

Indirect Cost: Costs that are incurred by a grantee organization for common or joint objectives and which therefore cannot be identified specifically with a particular project or program.

In-kind Match: In-kind match does not involve a monetary transaction. "In-kind" is the value of something received or provided, which is beneficial to the program, but for which no cash exchanges hands. In-kind contributions related to a particular grant program must be allowable under the grant program, verifiable from grantee records, necessary and reasonable, allowable under cost principals, and not included as a contribution under any other award.

Principal Investigator (PI): the primary individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

Application Process (Pre-Award)

Grant Idea Pre-Approval Form Information

The department considering an application for a grant is responsible for pre-application assessment, in which, at a minimum, the factors listed on this Grant Idea Pre-Approval Form (and also below) shall be evaluated, in consultation with grant administration and fiscal staff. Pre-application assessment must be done at least two months in advance of grant submission due dates—but preferably much earlier--to avoid last-minute delays or problems that could cause the grant deadline to be missed. (If for some reason the deadline is closer than a month out, please contact the Grants Manager to see if an exception is possible).

- Name
- School/Department
- Position/Title
- Email Address
- Short Description of Your Project
- Key Points, Including Key Outcomes
- How the Project Relates to PTC's Strategic Priorities
- Total Cost of Project
- Possible External Funding Source(s)
- Match Requirements and Sources
- Long-Term Budget Implications/Costs that will be incurred by PTC as a result of implementing the grant program that will not be recouped in the grant award
- Program Income Considerations
- Staffing Requirements (including salary and benefits increases for multi-year grants)
- Sustainability/Documentation of a Clear Continuation Plan
- Department's Capacity to Administer the Programmatic and Administrative Aspects of the Grant

Application Pre-Approval Submission Procedure/Suggested Timeline

The following procedure ensures that each potential grant application is aligned with a PTC priority, meets PTC's expectations of document quality, has institutional and/or external matching funds available if required, and is sustainable after the project or program grant period ends.

The Department submitting the grant application is responsible for ensuring that the Grant Idea Form noted above has been evaluated and completed prior to submission.

The following is the process for submission:

1. Submit the Grant Idea Pre-Approval Form.

2. The Grants Manager will review the form and give preliminary feedback
3. The Grant Idea Pre-Approval Form will then be returned to the PI, who will then be required to get signatures on the Form from the:
    a. Department Director
    b. Academic Chair
    c. Vice-President of Academic Affairs
    d. Grants Manager
4. The Grant Administration Office will then route the form to the following:
    a. Chief Financial Officer
    b. President (if applicable)
    c. Chair of the Board of Trustees (if applicable)
        i. If Board approval is required by the grantor at the time of submission, the PI must coordinate with the Grants Manager to get consideration for approval at least a month in advance of the submission deadline.

The PI is the primary person responsible for writing the grant proposal; the Grants Manager cannot write the entire proposal for the PI, but rather is available to provide technical assistance in the following ways:

- Assisting with research for writing the narrative and compiling the budget
- Writing non-technical parts of the application
- Compiling compliance-related items
- Reaching out to funding agencies with grant-related questions
- Working with, uploading, and submitting all documents in online portals (such as Grants.gov, Research.gov, etc.)

The Grants Manager is PTC's Authorized Organization Representative and is therefore in charge of all submissions. ***No grants should be submitted by the PI without AOR approval.***

Application Process (Post-Award)

Award Notification, Review, Acceptance, and Negotiation

By accepting an award, you are entering into a legal contract. Therefore, it is PTC's and your responsibility to accomplish the grant objectives by executing the projects and activities identified in the grant. It is also important to obey all the terms and conditions prescribed by the grantor. Failure to do so increases PTC's exposure to legal liability and compromises current and future grant funding.

The award notification, review and acceptance processes have two components: (1) award notification and review and (2) approval to accept the award.

All PIs that receive a grant award must forward a copy of the award notification, the grant agreement or contract, approved budget, and any memoranda of understanding to the Grants Manager within two days of receipt.

The PI and his/her Academic Chair are responsible for reviewing the grant award and ensuring that a legal review is conducted by General Counsel and that approval to accept the award is completed by the date required by the grantor for full execution.

If funds awarded by the granting entity are reduced from those requested in the original grant application, or factors previously evaluated at the time of application have changed, the department must ensure that the goals, objectives, and evaluative components of the grant can still be accomplished within the prescribed timeframe set by the grantor. If award terms need to be amended before the grant award can be accepted, the PI must collaborate with the Grants Manager to negotiate with the grantor and obtain changes to the grant award in writing. If a budget revision is requested, the PI must work with the Grants Manager as explained in the Sponsored Project Budget Revision/Amendment Process.

If the award terms cannot be negotiated to the PI's satisfaction, the PI, upon authorization of the Vice-President of Academic Affairs, Executive Director of Institutional Advancement, and President/CEO, must collaborate with the Grants Manager to the granting entity to decline the award and provide a copy of the letter to General Counsel. General Counsel will conduct a legal review of the grant agreement to assess whether the terms and conditions of the agreement are legally enforceable and ensure that PTC's interests are protected. If the legal review identifies any potential legal issues stemming from the terms and conditions of the agreement, the submitting department must contact the granting entity and seek to resolve the issue.

Upon receipt of the award, the Grants Manager will organize and schedule a Notice of Award Meeting, which will include the PI, Vice-President of Academic Affairs (if applicable) Academic Chair (if applicable), and Finance Department. At this meeting, the Grants Manager will review the Sponsored Programs Announcement Sheet.

The Grants Manager will work with the Finance Department to ensure that each grant will be maintained in a separate fund source, project and/or organizational code. Separate accountability by funding source will be maintained and all Federal programs will be properly identified by their individual CFDA numbers.

Policies

Sponsored Project Policy on PI Delegation of Signature Authority

The PI is the individual responsible for meeting the objectives of his/her sponsored research project, including financial management. The PI may, at his/her discretion, delegate authority for approving the acquisition of goods and services, and the transfer of expenditures to sponsored project under their direction. While it is acceptable and practical for the PI to have assistance in financial management, standards for delegation of signature authority to acquire goods and/or services purchased on sponsored project funds must ensure that the PI maintains oversight and only appropriate expenditures are approved.

The individual to which the signature authority is delegated should have direct knowledge of the needs of the project, for example, how a specific purchase benefits or is needed by the project. Delegates will be responsible to ensure that purchases are reasonable, allowable, allocable, and in compliance with all applicable policies, procedures, rules, and regulations.

The PI will complete and sign the Signature Approval/Delegation Form for Sponsored Projects. Then, this form will be forwarded to the Grants Manager and the Senior Director of Accounting.

Acceptable Delegations of Signature Authority	***Unacceptable Delegations of Signature Authority***
Purchases	Budget Modifications
Travel	Sponsor/Agency Required Reports
Expense Transfers	Payroll
Receipt of Goods and/or Services	Time and Effort Reporting

Click here for the Sponsored Project PI Delegation of Signature Authority Form.

Sponsored Project Budget Revision/Amendment Process

Re-budgeting of approved award budgets is subject to appropriate institutional review and approval processes. Note that sponsors often require prior approval for budget changes involving key personnel, contractual actions, foreign travel, and equipment. Some institutions require prior approval when expenditures are + or – a percentage of the approved line-item amount.

Proposed revisions to sponsored project budgets must be submitted to the Grants Office for review of the terms and conditions of the award agreement and general cost principals. If the requested budget revision meets these standards, it will be completed. If required by the terms and conditions of the agreement, the Grants Manager, in conjunction with the PI, will submit the request for budget revision to the sponsor. Sponsor approval must be received to complete the budget revision. **Budget revisions must be made in advance of incurring affected expenditures using this form.**

Budget and Expenditure Monitoring Policy

PTC has established a system of controls to monitor Sponsored Projects on a regular basis and to comply with federal regulations. The PI is responsible for compliant charging of expenses to his/her Sponsored Project award. Institutional Advancement and Finance will provide guidance and support on an ongoing basis. The Grants Manager and Senior Director of Accounting will review and approve expenditures and aid with budget revisions.

This policy outlines the standards for allowability and describes expected procedures for monitoring, review, and expenditure approval to ensure compliance with federal requirements and project budget consistency.

Applicable Federal Regulations (eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles)

Costs charged to a grant project must be reasonable, allocable and otherwise allowable. The Project Director has primary responsibility for fiscal management of the project, but the Grants Manager and Finance share responsibility for these determinations.

Reasonable – the cost is generally recognized as necessary for the performance of the project and is one that a prudent person would consider reasonable given the same set of circumstances.

Allocable - the cost is "assignable" to the project; that is, the item or service purchased has a direct benefit to the grant-funded project. If the item benefits more than one project, the amount assigned or allocated to the grant must be in proportion to its use on the project (for example, an item that is used 50% of the time on a grant project and the remainder of the time for other department purposes should be charged to the grant at no more than 50% of its cost.)

Allowable - The cost must conform to any limitations or exclusions stated in generally accepted accounting principles or in the sponsored agreement, i.e., the cost must be "allowable" and not specifically designated as unallowable by regulation or grant/contract specific award conditions.

Consistent - In addition, the cost must be treated consistently with other similar costs incurred in like circumstances in accordance with generally accepted accounting principles.

Direct Charging

According to 2 CFR § 200.413, direct costs are those that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. Identification with the Federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect (F&A) costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. If directly related to a specific award, certain costs that otherwise would be treated as indirect costs may also be considered direct costs. Examples include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities, program evaluation costs, or other institutional service operations. For specific information on direct costs, click here.

Charges to sponsored projects must be reviewed and approved as defined in this policy. The PI is responsible for determining if a charge is either a direct or indirect cost based on how it benefits the project. If it is a direct charge, the PI (or other support personnel confirms the cost is in compliance with Cost Principals. The PI (or other support personnel) identifies and documents the appropriate transfer methodology and account code to which a particular cost should be charged. The Principal Investigator (or other support personnel) completes the appropriate paperwork, which is forwarded to the Grants Manager and Senior Director of Accounting for approval. The Grants Manager and Senior Director of Accounting are responsible for reviewing all expenditures and notifying the PI of any inappropriate charges that will require attention/correction. Additionally, the Grants Manager and Senior Director of Accounting will ensure that approved indirect costs are charged to a Sponsored Project.

Expenditure Review Process

The PI is responsible for verifying that the charges on his/her Sponsored Projects are allowable. While the Grants Manager and Senior Director of Accounting may assist on financial tasks, the PI will retain responsibility for the review and approval, on a transactional basis, of charges on Sponsored Projects. This will include ensuring that all transactions occur within the project period; are properly documented; are reasonable, allocable, allowable, and consistently applied; meet the limitations of the sponsor-approved budget; and occur within the required timeframe for submitting a cost transfer or budget revision.

The PI will review, approve, and submit invoices and check requests for payment directly to the Grants Manager. The Grants Manager and the Senior Director of Accounting will review and approve payment of invoices. After approval by all parties, the document(s) will be forwarded on to the Accounts Payable Office for processing.

The Senior Director of Accounting will review payroll/fringe benefits charges and internal charges and discuss with the Grants Manager and PI as appropriate.

Procurement Purchases will be reviewed by the Grants Manager and Senior Director of Accounting, as well as the Coordinator of Business and Purchasing Services, to ensure that the Procurement Process has been followed correctly. Purchase Orders will be prepared by the PI and then forwarded to the Grants Manager for approval before following all other standard purchasing procedures. The PI will then forward the Purchase Order to the Purchasing Department for processing.

Each month, the PI, in conjunction with the Grants Manager, will review all expenditures and remaining balances related to their Sponsored Project. Then, the Grants Manager and Senior Director of Accounting will meet to review reports of expenditures charged to each Sponsored Project. If actual expenses exceed respective budgets, these will be discussed with the PI, and may result in the recoding of certain charges and/or budget adjustments which may need to be approved by the sponsoring agency.

Closeout

Ninety days before the termination date of the Sponsored Project, unless an extension is being requested, closeout preparation should commence. At that juncture, the PI will conduct a final review of the financial reports, report any necessary corrections to the Grants Manager, and submit the final progress report and any other sponsor deliverables to the sponsoring agency. Both the Grants Manager and Senior Director of Accounting are available to assist with this process.

Indirect Costs

Indirect costs (also known as Facilities & Administrative Costs, or F&A) are costs for activities or services that support the organization as a whole rather than any particular program or project, including administrative and fundraising costs. These are not costs associated with the delivery of program services; nonetheless, they are essential costs of maintaining and managing the organization through which program services are delivered. Examples of such costs include:

- Finance and accounting support
- Human Resources
- Bank fees
- Board meetings
- Fundraising

In submitting a budget, the PI will not be required to quantify these indirect costs. However, the PI is required to add indirect costs to the proposal using PTC's federally negotiated indirect cost rate unless the sponsor prohibits it, or caps the rate that can be requested.

Please view PTC's full indirect cost policy here.

Expenditure Approval and Competitive Bidding Policy

Bid Requirements for Goods and Services (Sponsored Funding):

Bid Threshold	**Documentation Requirement**
Up to $10,000 (Micro-Purchase):	One written quote

$10,001 to $250,000 (Small Purchase):	Three quotes are required, or, when it is not possible to obtain competitive pricing, one quote with the completed sole source justification form that conforms to the acceptable reasons for a non-competitive purchase. • Quotes can be obtained from suppliers or from public websites and must be included as backup documentation for the purchase. • PTC Purchasing Services is available to assist with requests and purchase orders, and competitive bidding at any dollar level. When using sponsored projects funding for purchases, a competitive supplier selection process must be used, unless the transaction qualifies as a “sole source” transaction as defined by the Uniform Guidance requirements listed in the definitions section below. Every sole source purchase requires a price analysis.
$250,001 and above (Competitive Proposal or Sealed Bid required):	<u>Sealed Bids: More than $250,000</u> • Preferred method for procuring construction • Two or more qualified bidders • Bids are publicly solicited from two or more known suppliers • Lowest responsive and responsible bidder for the fixed price contract should be awarded the contract <u>Competitive Proposals: More than $250,000</u> • Used for either a fixed price or cost reimbursement contract when sealed bids are not appropriate • Requests for proposals must be **publicized*** and identify all evaluation factors and their relative importance • Proposals must be solicited from an adequate number of qualified sources • Written policy for conducting technical evaluations of reviewing proposals and selecting the recipient

	• Most advantageous bid wins, price and other factors considered *****PTC Purchasing Services must be involved in the bidding process (or validate the department's sole source justification) for all sponsored project purchases greater than $250,000 to facilitate compliance with the public bidding requirement.

This policy responds to all applicable government procurement regulations as contained in the Federal Acquisition Register (FAR); Office of Management and Budget's uniform administrative requirements as codified under the Code of Federal Regulations (CFR) at 2 CFR Part 200 (Uniform Guidance), as well as any additional regulations or procedural formalities required by the contracting agency, as specified in the Notice of Award. For additional information, please refer to eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Cost Sharing Policy

Cost-sharing is the financial support contributed by PTC to sponsored projects. Often sponsored programs require that grant funds be matched proportionately (i.e., 50/50) with non-sponsored or other sponsored funds, or that the grantee participate in the cost of the project. Sometimes federal funding cannot be matched with other federal funding, and state cannot be matched with state, but there are always exceptions, and it depends on the funding sources. Mandatory cost sharing is that portion of PTC's contribution that is *required* by the terms of the project. If not included, the sponsor will not consider the proposal for funding. Voluntary cost sharing represents resources offered by PTC in sponsored project proposals although there is not a specific sponsor requirement. If accepted by the sponsor, cost sharing can be tangible or in-kind (in-kind contributions include project costs represented by services, equipment, and real property, or use thereof, donated by sponsors).

According to 2 CFR § 200.306, under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.

It is PTC's policy that only mandatory cost sharing is offered to sponsors; however, there may be exceptions that allow voluntary committed cost sharing to be offered that are judged to be appropriate under certain circumstances. When there is mandatory cost sharing, a copy of the request for proposal, regulations, or guidelines must be submitted with the proposal.

All cost sharing must first be approved by the Academic Chair with the authority to commit funds on behalf of the department, and then by the Business/Finance Office.

Expenditures that can be used as cost-sharing include:

- Direct costs, such as faculty or staff effort (the commitment to provide this effort binds PTC to contribute and track the effort and record the associated expenditures, including fringe benefits, in the total committed effort which may not exceed 100%); equipment; travel expenses and supplies; and indirect costs.

- Unrecovered indirect costs, including indirect costs on cost sharing or matching, may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the different between the amount charged to the Federal award and the amount which could have been charged to the Federal award under PTC's approved negotiated indirect cost rate.
- Values for non-Federal entity contributions of services and property must be established in accordance with the cost principles found here. If a Federal awarding agency authorizes PTC to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of 1 or 2 below:
    1. The value of the remaining life of the property recorded in PTC's accounting records at the time of donation
    2. The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in number 1 at the time of donation.
- Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the services are an integral and necessary part of an approved project or program. Rates for third party volunteer services must be consistent with those paid for similar work by PTC. In those instances in which the required skills are not found at PTC, rates must be consistent with those paid for similar work in the labor market in which PTC competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.
- When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of the fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's federally-negotiated indirect cost rate, or a rate in accordance with § 200.414(d) provided these services employ the same skill(s) for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.
- Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of donation.
- The method used for determining cost sharing or matching for third party-donated equipment, buildings, and land for which title passes to PTC may differ according to the purpose of the Federal award, if number 1 or 2 below applies.
    1. If the purpose of the Federal award is to assist PTC in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching.
    2. If the purpose of the Federal award is to support activities that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made. However, the fair market value of equipment or other capital assets

and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges.

- The value of donated property must be determined in accordance with the usual accounting policies of PTC, with the following qualifications:
  1. The value of donated land and buildings must not exceed its fair market value at the time of donation to PTC as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of PTC as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, except as provided in the implementing regulations at 49 CFR part 24.
  2. The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
  3. The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
  4. The value of loaned equipment must not exceed its fair rental value.
- For third-party-in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by PTC.
- As an IHE, PTC also follows the guidance found here Memoranda 01-06 -- Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs (Text Only) (archives.gov)

In accordance with 2 CFR § 200.306, for all Federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of PTC's cost sharing or matching when such contributions meet all of the following criteria:

- Are verifiable from the PTC's entity's records;
- Are not included as contributions for any other Federal award;
- Are necessary and reasonable for accomplishment of project or program objectives;
- Are allowable under Subpart E – Cost Principles
- Are not paid by the Federal Government under another Federal award, except where the Federal statue authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- Are provided for in the approved budget when required by the Federal awarding agency.

Approval of Cost Share: Any reduction of indirect costs as cost-sharing must be recommended by the Academic Chair of the academic department requesting funding, and must be approved by the Grants Manager, Senior Director of Accounting, and Chief Financial Officer.

Documentation of Cost-Share: Documentation of cost-share is the responsibility of the department or unit committing the cost-share. Departments will be responsible for transferring funds to be used for cost-share into a separate project fund that has been designated as the cost-share fund.

<u>Equipment Used as Cost-Share</u> must be identified in fixed assets so that it can be identified for indirect cost rate proposal preparation. This is particularly important when equipment purchased on a grant other than the grant which requires cost-share is used as cost-share.

<u>Building Used as Cost-Share</u>: When a building is used as cost-share, only the deprecation on the building during the performance of the sponsored project may be used as cost-share. The entire cost of the building may not be used as cost-share for the sponsored project.

National Science Foundation Cost Sharing Policy: (information following is documented at PAPPG (NSF 22-1) dated October 4, 2021). To be considered voluntary committed cost sharing, the amount must appear on the NSF proposal budget and be specifically identified in the approved NSF budget. Unless required by NSF (see the section on Mandatory Cost Sharing below), inclusion of voluntary committed cost sharing is prohibited and Line M on the proposal budget will not be available for use by the proposer. NSF Program Officers are not authorized to impose or encourage mandatory cost sharing unless such requirements are explicitly included in the program solicitation. In order for NSF, and its reviewers, to assess the scope of a proposed project, all organizational resources necessary for, and available to, a project must be described in the Facilities, Equipment and Other Resources section of the proposal (see Chapter II.C.2.i for further information). While not required by NSF, the grantee may, at its own discretion, continue to contribute voluntary uncommitted cost sharing to NSF sponsored projects. As noted above, however, these resources are not auditable by NSF and should not be included in the proposal budget or budget justification. Mandatory Cost Sharing Mandatory cost sharing will only be required for NSF programs when explicitly authorized by the NSF Director, the NSB, or legislation. A complete listing of NSF programs that require cost sharing is available on the NSF website at: http://www.nsf.gov/bfa/dias/policy/. In these programs, cost sharing requirements will be clearly identified in the solicitation and must be included on Line M of the proposal budget. For purposes of budget preparation, the cumulative cost sharing amount must be entered on Line M of the first year's budget. Should an award be made, the organization's cost sharing commitment, as specified on the first year's approved budget, must be met prior to the award end date.

Such cost sharing will be considered as an eligibility, rather than a review criterion. Proposers are advised not to exceed the mandatory cost sharing level or amount specified in the solicitation.

When mandatory cost sharing is included on Line M, and accepted by the Foundation, the commitment of funds becomes legally binding and is subject to audit. When applicable, the estimated value of any in-kind contributions also should be included on Line M. An explanation of the source, nature, amount, and availability of any proposed cost sharing must be provided in the budget justification It should be noted that contributions derived from other Federal funds or counted as cost sharing toward projects of another Federal agency must not be counted towards meeting the specific cost sharing requirements of the NSF award.

Failure to provide the level of cost sharing required by the NSF solicitation and reflected in the NSF award budget may result in termination of the NSF award, disallowance of award costs and/or refund of award funds to NSF by the grantee.

Cost Transfer Policy

A cost transfer is an after-the-fact reallocation of the cost associated with a transaction to/from an externally funded contract or grant account. Although costs should always be charged to the correct project, cost transfers are sometimes necessary. It is necessary to explain and justify transfers of charges into federal awards from other federal accounts, non-federal accounts, or PTC institutional accounts (including transfers from the departmental cost share fund to the sponsored project fund). Cost transfers must be initiated by the PIs and prepared by them in conjunction with the Grants Manager and Senior Director of Accounting and submitted as soon as the need for the transfer is identified. Cost transfers must be processed within 60-90 days after the original transaction; cost transfers posted after this date require additional justification (see here for more information). Adjustments are allowed within 15 days after the end date of the grant, provided expenses are incurred during the life of the grant. Requests for cost transfers must be made in writing (email is acceptable) to the Grants Manager and Senior Director of Accounting.

Sponsors have varying guidelines on cost transfers; PIs consult the Grants Manager when in doubt about the acceptability of a proposed cost transfer. Cost transfers involving sponsored projects in the following circumstances are often encountered:

<u>Pre-award costs</u>: It is sometimes necessary for costs to be incurred before the award document has been received. In such cases, PIs should contact the Grants Manager and Senior Director of Accounting to approve the opening of a new advance sponsored project. The advance account number becomes the permanent project account number when the award is effective; no cost transfers are needed. Sometimes an advance account number may not be feasible or the need for one is unknown. When a PI later determines that costs related to a sponsored project were charged to a departmental account, the costs should be transferred to the new sponsored project. If you must transfer costs on a sponsored project, perform the transfer as soon as possible, with a good justification.

<u>Error correction</u>: Correction of errors is required and must be fully explained. Errors may include clerical errors (such as typographical errors or transposition of digits). Other errors may be detected upon review of monthly expenditure reports. All errors should be corrected as soon as they are detected. All costs must be moved from the general ledger account number to which the cost was originally signed. Payroll cost transfers must be accompanied by a new certified Time and Effort Reporting Form if the transfer results in a distribution of effort different from that originally reported.

<u>Costs benefiting more than one project</u>: When a particular charge to a sponsored project benefits another sponsored project, because of the interrelationship of the work involved, that charge may be transferred to the other project, provided that the initial charge could appropriately have been made to the other agreement; the charge is contemplated in the approved budgets of both agreements; the explanation for the transfer makes it clear why the particular charge is appropriate to either of the agreements.

<u>Costs transferred in the event of an overdraft</u>: During review it may be determined that an overdraft might occur. If an overdraft is anticipated, the following actions may be taken: the costs may be transferred to another sponsored project that also benefited from the cost, if such transfer is allowable and allocable; or, the costs may be transferred to a departmental account. Documentation of the benefit must be explicit.

<u>Continuation costs</u>: If a continuation award is anticipated after the end date of the current award, an advance sponsored account must be created. If that is not possible, costs must be charged to the

departmental account until the new award is set up, after which costs should transferred in a timely fashion.

At the close of a project, unspent balances must be returned to the sponsor. Therefore, all expenses must be invoiced and incurred prior to the end date of the award. Regarding commitments and approvals in place for equipment, negotiated agreements, travel, service, and report costs that have been incurred prior to the award expiration date but are unlikely to be paid by that date: transfer of such costs to the closed award is allowable if justified, documented, and acceptable under the terms of the agreement. *If it is anticipated that there will be unspent balances, the Grants Manager must be made award of these at least a month prior to the end of the grant period.*

Documentation

The following items and questions must be addressed when requesting a cost transfer:

- Requested by:
- Department:
- Date:
- Charges From: MM/DD/YY
- Charges To: MM/DD/YY
- Amount:
- Project Title:
- Sponsor:

If a transfer is made within 90 days, answer questions 1-3. If a transfer is made over 90 days, answer all 6 questions:

1. What is the charge for and how does it benefit the project which is now being charged?
2. Why was the cost not correctly charged initially?
3. If the transfer is between two sponsored project, explain how the two projects are related.
4. Why is this cost transfer being requested more than 90 days after the occurrence of the original transaction?
5. How was the error discovered?
6. What measures have been taken to avoid the need for this type of cost transfer in the future?

These questions can be answered directly in the message of an email with the Academic Chair copied on the email. Alternatively, the request can be sent in a separate Word document attached to an email. If answered in a Word document, the requester and the Academic Chair must sign and date the document. All requests must be accompanied with copies of source documentation (i.e., general ledger reports, invoices, etc.).

Record Retention

Note: The guidance below is only related to Sponsored Projects. For full retention guidance, see PTC's Institutional Record Retention Policy.

Type of Record	Official Repository	Retention Period	Citations
Federal Grants (Construction) -Grant Application, Interim Publications, Products, and Final Report	Grants Office	Three years after final disposition	eCFR :: 2 CFR 200.334 -- Retention requirements for records.
Federal Grants (Non-Construction) - Grant Application, Interim Publications, Products, and Final Report	Grants Office	Three years after final disposition	eCFR :: 2 CFR 200.334 -- Retention requirements for records.
Grant & Contract Applications - Rejected	Grants Office	End of calendar year + Three years	
Grant Administration Records	Grants Office	Three years after termination or renewal;	
Grant Applications	Grants Office	Three years after submission	
Grant Final Reports	Grants Office	Three years after the grant ends;	
Grant Interim Reports	Grants Office	Three years after submission	
Grant Non-Disclosure Agreements	Grants Office	Three years after the grant ends	
Grant-Related Human Resources	Grants Office	Three years after termination, resignation, or retirement; transfer original documents to the Office of Human Resources/Records.	
Non-Federal Grants - Application, Interim		Three years after termination or	

Publications, Products and Final Report	Grants Office	renewal;	
Reports of Grant Project Status includes Final Report	Grants Office	Three years after termination or renewal;	

Forms

Notice of Award Meeting

Date:	**Grant:**

Process Step	**Description of Process**	**Notes**
1	A notice of a grant award is received, and terms and conditions of the award are known.	
2	The Grants Manager reviews the formal agreement between grantee and the funding organization.	
3	The Grants Manager determines the need for a Notice of Award meeting. Criteria may include: • Project director is new to grant management • The project is a new initiative and/or the funding source is new to grant portfolio • Terms of the award suggest policies or procedures which are new to our organization	
4	Grants Manager schedules the Notice of Award meeting to include: • Project Directors • Accounting • Grants Manager • Director of Institutional Advancement • Others?	
5	Grants Manager prepares copies of materials for the NoA meeting • Grant application • Project budget • Sponsored Programs document	
6	Notice of Award meeting is held and includes these agenda items: • Review of the terms of the award • Review of project's planned budget categories • Review of reporting requirements • Review of roles and responsibilities • Review of record retention requirements • Scheduling of monthly meetings for transactions review	

Process Step	Description of Process	Notes
7	Action items, if any, identified during the NoA meeting are documented by the Grants Manager with persons assigned to follow up (circulate list following meeting)	
8	Additional meetings scheduled if needed	

Sponsored Programs Announcement Sheet

Name of Grant

To:

Cc:

From:

Date:

Project Title:

Project Director:

Grantee Organization:

Agency's Reference No.:

Grant Post Award Administrator:

Grant Financial Administrator:

Grantor Type (Highlight One): Federal, Federal Pass-Through, Private, Industry/Commercial, Internal, State

Funding Agency:

Grant Administered By:

Agency Program Name:

Agency Programmatic Contact: Questions related to grant program requirements	Agency Programmatic Contact: Questions related to reporting expenditures
Name: Address: Tel, Fax, Email:	Name: Address: Tel, Fax, Email:

Amount funded:

Current funding period:

Is this grant renewable? ❑ Yes ❑ No

Are these federal funds? ❑ Yes (CFDA # ______) ❑ No

Budget Summary (see attached detailed project budget approved by the agency):

Budget category	Granted from Agency	Provided by grantee or other party as matching	Total Amount
Personnel			
Fringe benefits			
Travel			
Supplies			
Equipment			
Contractual			
Consultant Costs			
Total			

Funding method: ❑ Reimbursement ❑ Advance payment

Report due dates:

Financial reports:

Progress report(s):

Report Requirements:

Equipment: (*description and limitations*):

GRANTEE ORGANIZATION
GRANT-SUPPORTED PERSONNEL

Name/Title	Period of Time	Annual Percent of Effort

- Documentation:

GRANTEE ORGANIZATION MATCHING OBLIGATIONS – Personnel (In-kind)

Name/Title	Period of Time	Annual Percent of Effort

- Documentation:

GRANTEE ORGANIZATION MATCHING OBLIGATIONS – Costs other than Personnel

Description	Source of Match Identified	Amount

- Documentation:

PARTNERS (If applicable)

GRANT-SUPPORTED PERSONNEL

Name/Title	Period of Time	Annual Percent of Effort

- Documentation:

OTHER GRANT-SUPPORTED COSTS

Description	Amount

- Documentation:

PARTNER MATCHING OBLIGATIONS – Personnel

Name/Title	Period of Time	Annual Percent of Effort

- Documentation:

THIRD-PARTY MATCH – Other than Personnel

Description	Source of Match Identified	Amount

- Documentation:

Note any special restrictions or conditions:

Requirements for record retention:

Are there restrictions on publicizing this award? ❑ Yes ❑ No

General Guidelines for Project Management

Project Start and End Dates

Expenditures for the project must occur in the current funding period. Invoices and other forms authorizing payment must reflect dates that fall within this period. The account must be cleared and closed out by the end of the funding period. A request for a "no-cost extension" of the project end date must be approved by the granting agency.

Signature Authority

Documents requiring the signature of the "Authorized Official" generally will require the signature of the Grants Manager. In no case should the Project Director preempt this authority.

The Project Director's approval is needed for authorizing expenditures to the grant cost center, certifying personnel effort on the project, and submission of reports to the funding agency. Documentation of approval should be provided with the initiation of expenditure requests. In the case of certifying his/her own time and effort on the project, the Project Director should obtain signature (or electronic approval) of his/her supervisor.

Project Expenses – Authorizing and Monitoring

Costs charged to a grant project must be reasonable, allocable and otherwise allowable. The Project Director has primary responsibility for fiscal management of the project, but the Project Director and the Accounting Department share responsibility for these determinations.

Reasonable – the cost is generally recognized as necessary for the performance of the project and is one that a prudent person would consider reasonable given the same set of circumstances;

Allocable - the cost is "assignable" to the project; that is, the item or service purchased has a direct benefit to the grant-funded project. If the item benefits more than one project, the amount assigned or allocated to the grant must be in proportion to its use on the project (for example, an item that is used 50% of the time on a grant project and the remainder of the time for other department purposes should be charged to the grant at no more than 50% of its cost.)

Otherwise allowable - The cost must conform to any limitations or exclusions stated in generally accepted accounting principles or in the sponsored agreement, i.e., the cost must be "allowable" and not specifically designated as unallowable by regulation or grant/contract specific award conditions.

In addition, the cost must be treated consistently with other similar costs incurred in like circumstances in accordance with generally accepted accounting principles.

Expenses charged to the grant cost center must be in accordance with the budget approved by the awarding agency. The Project Director should maintain records sufficient to identify project expenses in relation to the approved budget.

Prior approval by the funding agency is required for significant deviations from the approved budget. See the terms of the grant agreement for a definition of what constitutes a "significant" budget revision. (Note: this includes using grant funds for expenditures which were not previously identified in the approved budget. Introducing new expenses for personnel or equipment is especially scrutinized.)

Project Income

Some grant-funded projects generate income (e.g., from registration fees for conferences, the sale of materials developed with sponsor funds, etc.) Sponsors, especially federal agencies, may have regulations and policies about how project-generated income should be accounted for and spent.

If the products or resources provided by the grant/contract are or may be involved in the generation of income, the Project Director should contact the Accounting Department to identify procedures for the accounting for and spending of project-generated funds.

Reporting dates and requirements

Upon receipt of a fully executed grant award agreement, (signed by both the funding agency and the appropriate authorizing official for the grantee organization), the Accounting Department shall set up a cost center specific to the grant project.

The Project Director of the grant or contract is responsible for making valid expenditures against the project and adhering to the approved budget for the project. The Accounting Department is responsible for monitoring expenditures according to the grantee organization's policies and funding regulations. This distinction is made between the responsibility of the Accounting Department and the Project Director because it is possible that an expenditure could meet accounting regulations but not be a valid expenditure against the project.

The Accounting Department is responsible for all reimbursement claims and financial reports submitted to the funding agency. Financial reports must indicate actual expenditures and not amounts which were estimated for the proposed budget (e.g., fringe benefits). Unofficial financial reports prepared outside the Accounting Department must receive clearance from the Accounting Department before being released. The Accounting Department also maintains a grant file and oversees providing information for financial audits.

The Project Director is responsible for seeing that progress reports or technical reports on the project are completed in a timely manner. Financial information included in any report submitted by the Project Director must first receive clearance from the Accounting Department.

The Project Director should retain a copy of programmatic or technical reports submitted to the funding agency, the Accounting Department should retain copies of all fiscal reports submitted to the funding agency.

Certifying personnel effort

The activity of personnel assigned to the project must be certified by an individual with knowledge of all of the employee's activities. The Project Director should approve after-the-fact activity reports which certify the level of effort of each person assigned to work on the project *regardless of whether or not the person is compensated from the grant funds* (i.e., the activity of personnel who contribute time to the project as a form of cost sharing must be documented). Amounts of activity charged to the grant budget should be consistent with the certified effort on the project. Personnel activity reports should be certified by the Project Director on a monthly basis. Payroll report records, if they include a record of the individual's time charged to the grant cost center, can be used to certify time and effort paid from the grant. For in-kind contributions (time spent on the project but paid by grantee organization's sources), a paper

Time and Effort Certification report should be generated and approved by the Project Director on a monthly basis.

Documenting cost sharing

Matching or cost-sharing contributions indicated on the approved budget must be documented by the grantee organization and, if required by the funding agency, reported on regular expenditure reports. The Project Director is responsible for obtaining documentation of third-party cost sharing from project partners. The Project Director will be asked to certify that payments made from cash sources are for project-related expenditures. Contributions of in-kind goods or services must be documented in accordance with federal regulations and certified by the Project Director as related to the project.

Record Retention

Records related to a grant project must be retained for a specified period which is generally stated in the grant agreement. Retention periods may be different than what is required by organizational policy for a specific type of record, and in all cases the longer period will prevail. Responsibilities for record retention apply to the Project Director, Accounting Department, Grants Manager and others. Unless deemed useful for archival purposes, records should be destroyed at the completion of the retention period.

Special restrictions

Entertainment, food (except as related to travel expenses for project personnel), alcoholic beverages and gratuities are not allowable costs.

Subcontracting

Subcontracting means that action tasks specified in the Grant Agreement (GA) which are not carried out by the beneficiaries themselves are outsourced to external third parties.

Compliance

The Project Director has the responsibility to ensure that project activities comply with federal/state regulations and organizational policies. If the project involves gathering information from human subjects, review and approval by a qualified institutional review board is required *prior to making contact with potential subjects.*

Sponsored Project PI Delegation of Signature Authority Form

PI Name:		PTC Department:	
Sponsored Projects Award Number:		Sponsoring Agency:	
Award Period Start Date:		Award Name:	
Award Period End Date:		Budget:	

Please list those individuals who are authorized to make financial transactions on this sponsored award. These individuals should initial this form and retain a copy for their reference. Please place a dollar amount or X, as indicated in the column heading.

Name	Dollar Limit on Purchases ($)	Expense Reports (X)	Invoice Approvals (X)	Check Requests (X)	Travel Advances (X)	Shipping (X)	Purchase Orders (X)	Other (Specify)

________________________________ ________________________________

PI Signature Date

Budget Revision Request Form

Principal Investigator/ Project Director:

Project Title:

Sponsor:

Will this modification extend the award closing date?

Description and justification of budget revision:

Line Item Description	**Current Approved Budget**	**Requested Revision**	**Percentage Change**

Indirect Cost Policy

Indirect costs, also known as facilities and administrative costs, are the institutional or infrastructure costs of managing and running programs that cannot be directly attributed to a program or activity. These costs include items such as printing, equipment use, accounting, utilities, professional development, security, library services, information technology services, and administrative costs that are hard to calculate but are true costs for running programs. The indirect cost rate reimburses the university for that fraction of its indirect costs that the granting agency agrees to bear. Federal agencies require colleges and universities to use rates negotiated with a government entity. In the case of Pittsburgh Technical College, this institution's negotiation partner is the Department of Health and Human Services.

Indirect Cost Calculation

In developing budgets for submission, applicants at Pittsburgh Technical College are to calculate project costs using the following rates.

Federal agencies (e.g., National Science Foundation)

PTC uses a Modified Total Direct Costs (MTDC) base, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDCs exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participants support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

- **23.32% rate** applied to all direct costs for requests in support of projects that take place *off campus*
- **36.74% rate** applied to all direct costs for requests in support of projects that take place *on campus*

Although indirect expenses are recognized as real costs, some federal funding agencies will not provide full reimbursement of indirect costs. Given this reality, applicants should strive to recover the maximum indirect costs allowable by the granting agency.

Non-federal agencies (e.g., private foundations)

- **10% rate** or the highest amount allowed for requests to agencies that *permit* indirect cost recovery

APPROVAL REQUIRED TO USE DIFFERENT RATE

All grants and contracts that will require PTC to absorb the indirect cost must be discussed with the Grants Manager and Executive Director of Institutional Advancement.

Indirect Cost Distribution

Indirect cost amounts generated by charges to research grants and contracts will be transferred from restricted funds as follows:

- 100% - Pittsburgh Technical College general budget

Funds deposited to the general budget will be used at the discretion of the Vice President of Administration/Chief Financial Officer.

For more information about this policy, please contact Julie Throckmortan, Grants Manager at Throckmorton.julie@ptcollege.edu or Connie VanCamp, Senior Director of Accounting at Vancamp.connie@ptcollege.edu.

Indirect Cost Recovery

The Senior Director of Accounting will record award-related direct costs in program cost centers and accumulate indirect costs in PTC's administrative cost center. At the end of each month, the Senior Director of Accounting uses PTC's negotiated indirect cost rate as applicable to calculate ICR charges. The Senior Director of Accounting then records the ICR charges in an expense account called ICR Charges. At the same time, the Senior Director of Accounting posts a credit of equal amount to the General & Administrative (G&A) cost center ICR Charges line. At the organizational level, the ICR Charges line will equal zero, this preventing double-counting of indirect expenses as it simply distributes PTC's indirect costs from the G&A cost center to the projects.