

# **El Paso Community College**

**Grants Management Office**



## **Grants Management Guidelines**

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El Paso Community College  
Grants Management Office  
**Grants Management Guidelines**

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## **I. Introduction**

In the main, El Paso Community College (EPCC) funds its operations from revenues received from tuition and fees, property tax assessments, and federal and state reimbursements. However, another critical source of income (+/- \$10 million annually) comes from revenues received from federal, state, and private sources under grants, cooperative agreements, and contracts. This funding is important as it permits the College to provide valuable services for students and the community which would not otherwise be possible.

In most cases, the College receives grant funding based on successful applications developed by College faculty and/or professional staff submitted in response to Requests for Proposals (RFPs) issued by various funding sources. The College encourages its faculty and staff to seek out and apply for these funding opportunities where projects or programs fall within the College's mission.

However, the College also recognizes that proper management of grant-funded projects and programs is essential to ensure compliance with all applicable rules and regulations of both the funding source and the College. Recognizing the complexity that can be associated with the grant application and management process, the College maintains the Grants Management Office which is charged with providing support to faculty and staff during the grant application process; and subsequently with management of grants when awards are received.

This Grants Management Guidelines document has been developed by the Grants Management Office as a general reference for both new and experienced grant managers. Further, College faculty and staff are welcome and encouraged to contact the Grants Management Office on any issue related to grant applications and management.

The time and effort contributed by the Grants Management staff is very much appreciated. Particular recognition is accorded to Ms. Maribel Gomez, Grants Specialist, for her substantial contributions as the co-author of the initial edition of this document.

Questions, comments, and/or recommendations concerning these Guidelines are always welcome, and can be addressed to any Grants Management Office staff member. Staff contact information can be found on the last page of this manual.

Bob Elliott  
Director

## **II. Laws, Regulations, and Procedures Governing Grants**

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

All El Paso Community College externally-funded agreements (grant, contracts, MOAs, etc.) must be legally accepted on behalf of the College by its Board of Trustees. All grant-funded projects and programs must be managed in full compliance with the terms and conditions stated or referenced in the award notice, as well as the applicable policies and rules of the College. The following are the principal sources for those requirements.

- A. El Paso Community College: The policies and procedures governing all activities of EPCC can be found at <https://www.epcc.edu/Administration/InstitutionalEffectiveness/policies>. This includes activities that may be required for proper grant management such as financial transactions, purchasing, personnel, property management, staff travel, record-keeping, etc. EPCC policies and procedures specifically relating to grants are included at CAM-1 and CAM-2. These requirements have been approved by EPCC's Board of Trustees and are binding on all faculty and staff.
- B. Federal Funding: Rules and regulations governing federal grants and cooperative agreements awarded to EPCC are as follows. Note that these will also apply to federal funds provided to EPCC under any subgrants by a non-federal source (referred to as a "pass-through entity" or PTE) and will normally be referenced in the subagreement document.
  1. Statutes: authorize the program and funding and take absolute priority over any regulation, but which often provide discretion to the federal agency head to provide greater detail concerning requirements and procedures.
  2. OMB Grant Guidelines: Issued by the U.S. Office of Management and Budget (OMB) and apply to all federal grants and cooperative agreements, unless amended and augmented by a specific federal agency's regulations. The Guidelines can be accessed at Title 2 of the Code of Federal Regulations (2 CFR, Subtitle A, Chapter I). Go to <https://www.ecfr.gov/cgi-bin/ECFR?page=browse> .
  3. Federal Agency Supplemental Regulations: Issued by each specific federal agency and will generally contain regulations governing the agency's specific grant program as well as grants management generally (with OMB approval). These regulations can also be found at 2 CFR under Subtitle B (look for specific agency Chapter).
  4. Grant RFP and/or Award Document: Contains detailed requirements for a specific application and/or terms and conditions of a subsequent award (often by reference to one or more of the preceding references).

5. Federal Contracts: On rare occasions, federal support will be provided in the form of a federal acquisition *contract* (e.g., purchase of training). These agreements are solicited under the Federal Acquisition Regulations (FAR) which can be found at Title 48 of the Code of Federal Regulations (CFR). See [www.acquisition.gov/?q=browsefar](http://www.acquisition.gov/?q=browsefar). See also specific agency supplemental regulations that may be applicable. The contract solicitation and/or awarded contract will contain clauses reflecting the applicable regulations, either in full text or by reference. It is important to be aware that these contracts are fully legally binding on the parties and have significant compliance requirements that are different from grants and cooperative agreements. Failure to complete the contract or provide the specified product or service under a contract can have very serious consequences (money damages and/or debarment are possible). EPCC faculty and staff should consult with the Grants Management Office as early as possible if contemplating a federal contract. Contracts can be of great benefit to the College.
- C. State Funding: The principal source for rules and regulations governing a state grant will generally be stated or referenced in the RFP inviting applications and/or the actual award document. However, most states will also have uniform standards, which can generally be found by a web search. For the State of Texas, the Uniform Grant Management Standards (June, 2004), can be accessed at <https://comptroller.texas.gov/purchasing/grant-management/>. Note that each funding agency within a state may also have its own related or supplemental regulations or policy/procedure document.
- D. Private Funding Sources: These sources do not publish “regulations” as such. Requirements for grant applications and management of awards will usually be included in the RFP or the award document itself. However, there may be an organizational grants policies and procedure manual that can be accessed at the organization’s website.

Regardless of the source of funding, faculty and staff applying for grants or who receive an award should become familiar with the rules and regulations that govern EPCC, as well as those of the funding source. Failure to comply with these rules can result in a failed application, grant termination, questioned or disallowed costs, and/or a grant project or program failure. Assistance in acquiring these documents and properly interpreting their content can be obtained from EPCC’s Grants Management Office.

### **III. EPCC Grant Management Roles and Authorities**

EPCC is a large and complex organization. The following is a listing of the roles and authorities exercised at the various organizational levels.

- A. Board of Trustees: Serves as the overall governing body for the College. All grant awards must be accepted by the Board prior to implementation of a grant project or program. Acceptance requests are initiated by the faculty or program office and submitted by the responsible Vice President for inclusion on the agenda of a regular or special Board meeting using the appropriate EPCC Board Abstract form. See Chapter VIII.D of these Guidelines.
- B. Authorized Organizational Representative (AOR): Person or position authorized by the Board of Trustees to physically or electronically sign applications and agreements which will legally commit the College to the obligations contained therein.
- C. President: The President serves as the AOR for the College on all grant applications, awards and renewals. All grant-related documents that require AOR signature by the funding source can only be signed by the President; unless specifically delegated in writing to another College official.
- D. Cabinet: The Cabinet consists of the President and Vice Presidents. The Cabinet reviews pending grant applications based on information in the Grant Summary & Authorization form (GS&A); which form is submitted to the Cabinet by the responsible Vice President. Cabinet decisions are generally based on: a) a determination that the project or program conforms to the mission of EPCC and b) a finding that the College has the capacity to provide the resources required to successfully implement the grant program, including funding, facilities, equipment, and demands on administrative services such as IT, Purchasing, Personnel, etc.
- E. Vice President: Within their areas of responsibility, and consistent with established College policies and procedures, each Vice President provides overall executive oversight for grants performed in their area. This includes establishment of required approval levels; internal reporting requirements; and control of submissions to the President, the Board, and funding sources.
- F. Associate Vice-President (AVP), Dean, or Director: Serves under a Vice President as mid-level managers and generally provide administrative supervision for grant Project Directors. They may be designated as the Budget Head for a grant project or program for which they are responsible.

- G. Project Director (PD): Sometimes referred to by the funding source as a Principal Investigator (PI), this position is responsible for the day-to-day implementation and management of a grant project or program. The Project Director may be either faculty or professional staff. The Project Director provides direct administrative and professional supervision for all grant staff.<sup>1</sup> The Project Director is responsible for budget development and implementation and for the timely initiation of all financial, personnel, purchasing, and other actions required for their project or program. The Project Director oversees periodic progress evaluations and prepares and submits reports required by the College and/or the grant funding source. In the latter case, the President's approval may be required.
- H. Budget Head: Each separate account in the EPCC Banner financial system is assigned a Budget Head who has approval authority for all transactions affecting that account. The assignment is made at an organizational level deemed appropriate to each account.
- I. Accounting Office: Generally, through an assigned Accountant, this Office monitors and maintains records of all grant expenditures, provides periodic financial reports to the Project Director, and assists in correcting errors when identified. It also prepares, certifies, and submits financial reports and reimbursement requests in accordance with procedures of the College and/or as required by the funding source.
- J. EPCC Administrative Offices: These offices include but are not limited to Accounting, Human Resources, Purchasing, IT, and Property Management. Within their respective areas of responsibility and expertise, these offices provide timely and appropriate support to grant projects or program offices. They are also charged to ensure that all administrative transactions falling within their respective areas are completed in compliance with established legal requirements and applicable policies and procedures; and that all required approvals have been secured.

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<sup>1</sup> Note: Faculty assigned to provide service under a grant continue to receive supervision from their assigned Dean. The work to be done under the grant, the time authorized, and the pay situation should be based on an agreement among the faculty member, the grant Project Director, and the supervising Dean.

#### **IV. EPCC Grants Management Office**

EPCC's Grants Management Office (GMO) is under the AVP for External Relations, Communications and Development, and reports directly to the Executive Director for Resource Development and Foundation. The GMO is headed by a Director, who is supported by an Administrative Associate, and is staffed with four Grants Managers and four Grants Specialists. The major responsibilities/functions of this office are to:

- A. Provide technical assistance regarding EPCC's grants policies and procedures and expertise concerning the requirements of various funding sources pertaining to applications, award management, and close out of grants. This includes provision of related training programs;
- B. Search for available funding and inform managers, faculty, and staff when appropriate opportunities are found;
- C. Assist in the development and submission of grant applications;
- D. Monitor compliance with the terms and conditions of all awards received by the College;
- E. Maintain records and generate reports covering individual grants and all external funding received by the College; and
- F. Provide grantsmanship training

It is important to note that the Grants Management Office serves as a source of expert advice and technical assistance regarding EPCC's grants management process. To enable the Grants Management Office to meet its assigned responsibilities, the College requires that all documents related to applications (including GS&As, Letters of Intent, and new and renewal applications) be reviewed and signed off by this Office prior to submission to the Cabinet and/or the President. Further, all transactions on awarded grants (financial obligations, personnel actions, purchase requisitions, etc.) must be reviewed and signed off by this Office prior to their completion. However, the Grants Management Office does *not* exercise either management or supervisory control over faculty and staff or the conduct of grant projects or programs. This is solely the responsibility and authority of the Board, President and the appropriate EPCC managers and supervisors (refer back to Chapter III). Any conflicts between the Grants Management Office and grant project offices that cannot be resolved at that level will be referred up the appropriate supervisory chain for resolution.

All EPCC faculty and staff are welcome to contact the Grants Management Office concerning any matter related to the grants process. When an application is being considered, this contact

should be made as soon as practicable. The Director or any of the Grants Managers are available to faculty and staff at any time.

## **V. EPCC Grant Application Process**

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

- A. Secure and carefully review a copy of the complete Request for Proposals (RFP) issued by the funding source.
- B. Contact the Grants Management Office to discuss your interest and to ensure a full understanding of the application and program requirements, including the application due date, allowable scope of projects, funding available, any matching requirements, College resources that will be required, and the method of submission (electronic or hard copy).
- C. If necessary, call or e-mail the funding source's contact person to resolve any questions concerning the RFP and program requirements.
- D. Discuss their interest in applying with their immediate supervisor, and secure this important preliminary approval before proceeding further.
- E. If the project or program will entail the involvement of partners outside of the College or letters of support, contact these entities to ensure their support and willingness to provide any needed information/documentation in a timely way.
- F. Complete the EPCC Grants Summary & Authorization (GS&A) form (fill-in form at: <https://www.epcc.edu/Administration/Grants> ). Submit this form to your immediate supervisor for approval, and then to the Grants Management Office for sign-off. It will then be forwarded to the appropriate Vice President who will, if he/she agrees, approve and submit to the Cabinet for review and recommendations to the President. Assistance in completing this form is available from the Grants Management Office.
- G. Schedule a meeting with the Grants Management Office to develop a process and schedule, and to obtain needed assistance with development of the application. Assistance can include data research, drafting and/or editing of text, and forms completion. If the application must be submitted electronically, the Grants Management Office will also provide information concerning that process, and ensure the Project Director or PI is registered and has access to the system if required.
- H. If a Letter of Intent (LOI) to apply is required or recommended by the funding source, in consultation with the Grants Management Office, develop and submit this document by the due date in accordance with the instructions in the RFP.

- I. If the grant program for federal application is subject to state review and comment under Executive Order 12372, the Grants Management Office will compile the required information and submit it to the Office of the Governor to obtain a state TRACS number [which must be included on the application (SF 424)]. Note, however, that the State of Texas elected to opt out of this review process in 2010. Consequently, if the RFA states that applications are subject to this review, and unless and until the State elects to again participate, the SF 424 option box “Not selected by the state for review” should be checked.
- J. Upon completion of the application, notify the Grants Management Office (providing any form or text files required).
- K. The Grants Management Office will ensure all requirements for the application have been met, and it is otherwise complete. It will then be forwarded to the AOR through appropriate channels for approval and signature, and then submitted. In the case of federal electronic systems, submission is done by the Grants Management Office based on the President’s approval of the associated GS&A. However, there often are certifications and assurances forms or a cover letter that will require the President's signature; and which are then uploaded to the application package prior to submission. Note also that various Texas agencies, The Texas Workforce Commission as a prominent one, require use of a different electronic signature routing system. It is important to allow sufficient time to meet these requirements to avoid missing the application deadline.

The foregoing process description is general. Requirements of a particular RFP, including particularly the submission requirements, may necessitate additional or altered processes. The Grants Management Office can advise on this.

## **VI. Developing the Grant Application**

The time and effort involved in completing a viable grant application will depend primarily upon the demands and complexity of the RFP and the knowledge, experience, and resources of the EPCC grant-writing team.

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

The following are the major items that the grant-writing team will need to address. They may be stated or organized differently in each RFP. Strictly follow the RFP instructions.

- A. Forms: These tend to be more numerous in RFPs issued by government agencies. They may include a cover sheet with information about the applicant, certifications and assurances (usually to be signed by the AOR), budget forms, organizational profiles, and sometimes questionnaires. In the main, the Grants Management Office can complete these.
- B. Abstract: Generally, this is a one-page summary of the proposed program or project. Content requirements can vary. Be sure to follow the RFP instructions.
- C. Program/Project Narrative: This is the text that describes your proposed project or program. It should follow the RFP directions, including the sequence specified. This will be the part that reviewers will read and score. The major parts of the narrative usually are:
  - 1. Problem or Needs Statement: This part tells (convinces) the agency why the grant is needed, and should be well supported by data and show that the applicant fully understands all aspects of the problem(s) or need(s) the grant will seek to address. This part is where the applicant will demonstrate that the need for and purpose of the program or project is *evidence-based*.
  - 2. Goals: This part sets out in clear, succinct, and *measurable* terms what is intended to be accomplished by the end of grant performance. They should be ambitious, but not overreaching.
  - 3. Plan of Operation: This part sets out the objectives and the activities you will implement to accomplish the goals, including timelines, outcomes, and responsibilities
  - 4. Evaluation Plan: This part clearly lays out how the program will be evaluated on an on-going basis (formative) and at annual and end-of-grant period (summative). The plan should include both quantitative and qualitative measures compared to baselines usually identified in the problem or needs statement, and the goals. The evaluation plan also identifies how data will be secured and maintained, who will be responsible for preparing

and submitting reports, and the role and qualifications of an independent evaluator if one will be used.

5. Budget and Budget Justification: This part sets out the budget, sometimes in annual increments. The justification should demonstrate that all proposed costs are allowable (by the funding source), necessary (to complete the work), reasonable (as to cost, capabilities, and quantities), and fairly allocated in proportion to the benefits received by the grant project. Most RFPs for multiple year applications will require a separate budget for each year. Some will require a single justification covering all of the years, while others will require a separate justification for each year. Be sure to comply with the specific RFP requirement, and be sure your numbers match throughout the application.
- D. Alternate Narrative Formats: Some funding sources do not use the foregoing general format, but rather require applicants to describe their proposed program or project in more general terms. The National Science Foundation, as one, requires that applicants specifically address “intellectual merit” and “broader impacts,” and evaluate accordingly. Applicants may be required to provide a hypothesis or question that will be tested by the proposed project, which will require use of an appropriate research design. That there is high value to pursuit of the hypothesis or question should be *evidence-based*. In those cases, and as necessary, the EPCC developer should meet with the assigned EPCC Grants Manager or Specialist to ensure understandings of the requirements and definitions.
- E. Other: This category includes as required, or otherwise appropriate and permitted, documents such as resumes and/or position descriptions for key staff, partnership agreements, letters of support, and the like. Do not use attachments or appendices to get past the narrative’s page limit. If you do, these pages may be ignored or, worse, counted towards the page limit causing a rejection for exceeding the allowable number of pages.
- F. Human/Animal Subjects: If the project entails research using human or animal subjects, associated rules and regulations must be addressed. This area is covered under CU-2 of the College’s Policies and Procedure which can be accessed on the College website at <https://www.epcc.edu/Administration/InstitutionalEffectiveness/policies> . Review the funding agency’s requirements and consult with EPCC’s Institutional Review Board at <https://www.epcc.edu/Administration/InstitutionalResearch/institutional-review-board>.

In developing the application’s problem or needs statement, data will be required. The Grants Management Office has available a document entitled “El Paso Data” which includes basic socioeconomic information about El Paso County, local independent school districts, and the College itself. It is in MS Word format, and can be obtained upon request. More detailed or specific data concerning the College can also be obtained from EPCC’s Office of Institutional Research (IR). Requests for data from IR should be submitted using the fill-in form available at

<https://www.epcc.edu/Administration/InstitutionalResearch>. These requests must be submitted through the responsible Budget Head (or the Grants Management Director) as early as possible to ensure the requested data is timely provided. The need for data should be discussed first with the Grants Management Office as it may already be available having been secured for another grant application. Be sure to carefully construct your data request to ensure you get the information you actually need.

Particularly with larger applications, the team approach is highly recommended. However, it is important that each team member is clear as to their role and the due dates for any assignments made to them.

Finally, plan to complete the application several days prior to the application's due date. Especially with electronic applications, there can be unexpected glitches or delays in accessing the submission portal. Failure to meet the due date and time will normally result in rejection of the application without review. A lot of time and effort will then have been wasted.

Faculty and staff should be aware that the Grants Management Office staff is committed to fully supporting those engaged in application development. A Grant Manager and a Grants Specialist is assigned to every application from the point interest is expressed to the Office, and those staff will remain responsible for support through close-out if an award results.

The Grants Management Office will complete the standard forms required by the RFP, thereby freeing the developers to concentrate on the substantive parts of the application. Aside from expertise, the Grants Management Office is often able to provide assistance finding data and research sources that will meet the “evidence-based” support for programs or projects and that are almost always considered during the scoring process by funding sources. Where a project will entail research, as many do, the Grants Management Office can provide assistance with the research design aspects.

## **VII. Actions upon Application Disapproval**

Most grant programs for which RFPs are issued have limited funding for awards and are highly competitive. Despite a good application effort and for a variety of reasons, grant applications may be disapproved. Although this may initially be discouraging, if the project or program is important and can have significant benefit to the College and its students, persistence with the application process can eventually pay off with a future award.

Should the initiating faculty or program office receive a denial notice, the Grants Management Office should be immediately notified and provided a copy. Unfortunately, in many instances the reason for the denial will be stated very generally. However, and particularly with federal agency applications, the funding source may provide (or offer to provide, upon written request) copies of the application's reviewers' comments and scoring. If this is a grant program that may be offered again in the future, this information can be helpful in developing a more competitive application in response to the next RFP. Further, the Grants Management Office may also be able to find another RFP by another funding source for which the application material, probably with some re-working and improvement, can be developed into a successful application.

## **VIII. Initial Actions upon Receipt of Grant Award**

Do *not* commence grant activities until authorized to do so. Costs incurred prior to the effective date stated on the grant award document will not be reimbursed to the College unless the funding source has expressly authorized pre-award costs, which is not normal

(<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.458>.)

Actions to take upon receipt of an award notification are:

- A. **Notify the Grants Management Office:** Provide a copy of the complete award documentation received. A Grants Manager and Grants Specialist will have been assigned to this project, and will continue to work with the Project Director throughout the term of the grant.
- B. **Review the Award Document:** Do this jointly with the Grants Manager and/or Specialist to ascertain all of the terms and conditions of the award, and particularly matters such as the effective date, the funding level, reports and their due dates, and whether any additional submittals will be required at this time. Any questions should be referred immediately to the funder's contact person identified in the award document.
- C. **Supplemental Submissions:** Immediately prepare any submissions required by the funding source. These may be revised budgets, identification of contact persons, or the like.
- D. **Secure Board Acceptance:** The Grants Management Office and the faculty or program office initiating the application should now prepare a **Board Abstract** which should be completed according to instructions and submitted to the appropriate Vice President for placement on the next Board meeting agenda. The form is available from a Vice President's office or the Grants Management Office. Instructions are at <https://www.epcc.edu/Administration/Grants/rules-and-forms>. If fringe benefits are to be paid, the **Fringe Benefit Calculator** needs to be submitted concurrently to the responsible Vice President. The Calculator is available at the Grants Management website.
- E. **Set up the Budget in Banner:** Based on information in the award document, the Grants Management Office will proceed to establish a new account in Banner, including the appropriate budget detail. Multiple accounts may be necessary or advisable.
- F. **Secure Banner Access:** The Project Director (and possibly other grant project staff) will need to have access to the account in order to initiate financial transactions, including requisitions. If those personnel do not already have a Banner log-on and password, they will need to

request them from IT. Once acquired, the Grants Management Office will set up Banner access for this account (you need to provide only your log-on, *not* your password).

- G. Personnel Actions: If a new award will require creation of new staff positions and/or hires before work can begin, it is critical that this process be initiated as soon as possible. This will often entail development and classification of new position descriptions, advertising and recruitment, candidate interviews, selection, and job offer and acceptance. The individual charged with initiating grant personnel actions should consult with the Human Resources Office for assistance as needed. Failure to attend to this immediately can create substantial delays in initiating the grant project or program. More information on this topic is provided in Chapter XVI of these Guidelines, *Personnel Under Grants*.
- H. Facilities: The availability of office and other space that will be needed for the grant project should have been at least tentatively determined (and addressed in the GS&A) during the grant application phase. Once the award notification is received, steps necessary to firm up the space should be completed, and if there will be a need for any physical modifications prior to occupancy, this work should be initiated as soon as possible. This would include electrical and IT connections, furnishings, and the like.
- I. Equipment and Supplies: *Equipment* is any item costing \$5,000 or more and having a life expectancy of one year or more. All else falls under *supplies*. But note that “sensitive” items such as laptops and cameras must be tagged and are subject to accountable property inventory requirements. Use account code 71123 to budget and purchase these items. If furniture, equipment, and supplies need to be acquired, these should be identified. Although the grant’s Banner account will need to be in place before any purchase requisitions can be initiated, if there are any questions concerning sources, prices, commodity codes, delivery lead times, etc., EPCC’s **Purchasing & Contract Management Office** should be contacted for advice and assistance. Actual requisitions for equipment and supplies needed to initiate the grant project should be entered into Banner as soon as the account is available. The Project Director may want to visit EPCC’s property warehouse at the ASC-B building to determine if any surplus furniture is available, which can save on cost. For more on purchasing, see Chapter XVII of these Guidelines, *Purchasing Under Grants*.
- J. Consulting and Other Services: If the grant project will entail the use of outside consultants (independent evaluators, for e.g.), EPCC Purchasing and Contract Management should be contacted to determine the process and the required agreement format. Purchasing can also advise whether Board approval will be required so that the request for approval can be included in the abstract submitted for Board acceptance of the grant. There may also be other outside professional or technical services that will be acquired by contract, which should also be addressed with Purchasing at this time. Note, however, that current EPCC

employees cannot personally enter into contracts with the College, and there may be restrictions on some personal contracts due to tax laws and related regulations of the U.S. Internal Revenue Service. EPCC's **Human Resources Department** should be consulted concerning the latter issue.

- K. Information Technology: If the grant project will entail creation of a new office, or significant expansion of an existing one, new computer equipment and attendant services will be required. In addition to the setup of equipment, there will need to be access lines, e-mail accounts, etc. EPCC's **Office of Information Technology** (IT) should be contacted to inform them of the need and to schedule installation services.
- L. Subgrants: In the case of some grants, part of the substantive work of the grant will be done by a beneficiary organization. This is usually indicated in the awarded grant application's narrative and budget. If so, a subgrant agreement will need to be drafted, negotiated, and awarded. The Grants Management Office will work with the Project Director to develop the agreement format and content, and will secure the needed signatures. Note also that the intent to issue a subgrant(s) should also be stated in the abstract requesting Board acceptance of the grant. For detailed information on subgrants, see Chapter IX of these Guidelines, *EPCC Subgrants*.

The foregoing describes initial actions that may be needed immediately upon award, but are not intended to be exhaustive and may not apply in the case of every award. Any questions or assistance needed with regard to any of these matters should be sought from the appropriate administrative office, or from the assigned Grants Manager or Grants Specialist.

## **IX. EPCC Subgrants**

Occasionally EPCC will award subgrants. This occurs when EPCC is the prime grantee and the grant program or project will be conducted through a partnership or consortium arrangement with another educational institution or service organization. In these instances, and with respect to the funder, EPCC will be a “pass-through entity” or PTE.

- A. Subgrant Definition: A subgrant occurs when an organization other than the grantee will be responsible to perform part of the *substantive* work necessary to achieve the goals of the prime grant. This is more than just providing goods or services in support of the grant; which goods or services should be acquired through a *contract* awarded by the grantee (cash transactions, purchase orders, or formal contracts).
- B. Applicable Rules: Grants and cooperative agreements<sup>2</sup> are not, by basic definition, considered to be contracts. See for example the distinction made by the *Federal Grants and Cooperative Agreements Act* (31 USC §6301). However, grants do create legal rights and obligations between the grantor and the grantee; and courts do look to contract law and precedent when called upon to decide disputes arising from grants.

Grant awards contain obligations and requirements imposed by the funder and accepted by the grantee in return for the funding. When a subgrant is awarded, EPCC will include terms and conditions in the subgrant agreement as are necessary to enable EPCC to meet its obligations to the funder. Generally, though, there is no privity between the funder and any subgrantee. It is the responsibility of EPCC to monitor subgrantee performance, enforce requirements, and take corrective action when deficiencies occur. EPCC cannot evade liability to the funder merely by an assertion that a subgrantee failed in its obligations.

Where federal funds are involved, the grant will be subject to Office of Management and Budget (OMB) Guidelines at 2 CFR §200, and any supplemental regulations of the funding federal agency. Specifically, 2 CFR §200.331, *Requirements for pass-through entities*,<sup>3</sup> details what EPCC’s responsibilities are with regard to subgrants, including references to other sections of the guidelines that will also apply in subgrant situations. When a subgrant is involved, EPCC’s Project Director, and all of the College’s supporting administrative offices, should become familiar with and closely follow these regulatory requirements.

- C. Subgrant Agreement: Grant documentation, which constitutes the complete statement of the legal rights and obligations of the parties, consists of EPCC’s grant application, usually in

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<sup>2</sup> A cooperative agreement is defined as a grant in which the funding source will be substantially involved in performance of the program or project (beyond just oversight activities).

<sup>3</sup> [https://www.ecfr.gov/cgi-bin/text-idx?SID=c36adb93655177feb3a7029aed34b23b&mc=true&node=se2.1.200\\_1331&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=c36adb93655177feb3a7029aed34b23b&mc=true&node=se2.1.200_1331&rgn=div8)

response to the funder's detailed Request for Proposals (RFP), and the funder's award document which includes the terms and conditions (in full text or by reference). When there will be a subgrant, and as soon as practicable after receipt of the prime award, EPCC needs to develop, negotiate as necessary, and finalize a written subagreement document with the subgrantee.

For EPCC, the subaward process is as follows:

1. Working with the Grants Management Office, and using the subgrant template available from that Office, draft the agreement to include the statement of work, the budget, and any other terms and conditions unique to the agreement and acceptable to the parties.
2. Provide to the subgrantee EPCC's Audit and FFATA (Federal Funding Accountability and Transparency Act) information and certification form(s) as appropriate to complete, sign, and return.
3. Secure the signatures of the Authorized Organizational Representatives (AOR) for both parties. (Note that the intention to award the subgrant should be included in the abstract to EPCC's Board of Trustees requesting acceptance of the prime grant.)
4. Immediately upon execution of the agreement (signed by AORs of both organizations), the Grants Management Office will request from Purchasing and Contract Management a document number, advising that this is for "pass-thru" payment purposes only.
5. Upon receipt of the document number from Purchasing, the Grants Management Office will request that the Budget Head for the involved account generate a purchase requisition that:
  - a) Cites the words "Pass Through" followed by the document number (provided by Purchasing in #2 above) in the "Reference" field in Banner. As an example, one would type into the "Reference" field in Banner: "Pass Through-Use Contract #CH004956."
  - b) Cites commodity code 96332.
6. Upon the Grants Management Office's sign-off on the requisition in the Banner queue, the Grants Management Office will forward a copy of the subgrant agreement to Purchasing, prominently citing the requisition number.
7. Purchasing will input the document information into the Banner system
8. Upon receipt of the document number, the Grants Management Office will provide copies of the completed document to the subgrantee, the EPCC project office, EPCC's Accounting Office, and any other office that will be substantially involved in performance or administration of the subgrant.
9. For federally-funded awards, the Grants Management Office must enter data into the **Federal Funding Accountability and Transparency Act (FFATA)** website if the total of the subgrant award equals or exceeds the \$25,000 threshold for required posting (or at *any* time during performance that this threshold is reached, and any increases thereafter).

10. If the subgrantee is not required to comply with the Single Audit Act, the Grants Management Office, Project Director, and EPCC Accounting Office in consultation with the subgrantee will develop a compliance, reporting, billing, and audit plan.

- D. Subgrant Management: The individual principally responsible to ensure that the terms and conditions of a subgrant are timely and properly completed is EPCC's prime grant Project Director. Support for the Project Director will come primarily from EPCC's Grants Management Office and Accounting Office. Refer to other related chapters in these guidelines.

All transactions relating to the subgrant, including performance and financial reports, billings or vouchers, amendments to the agreement, audit determinations, and the like must be done with the active involvement, concurrence, and sign-off by the Project Director. Accordingly, it is critical that the Project Director become fully knowledgeable concerning all of the subgrant's terms and conditions, and that the Project Director ensure that all subgrant related activities are fully documented and the associated records are retained as required by the funder and in accordance with applicable EPCC policy and procedures.

## **X. On-Going Grant Administration – General Requirements**

Once the grant is awarded and the grant project has been initiated using (as applicable) the steps in the previous section, it is incumbent upon the College to conduct the activities and provide the services specified in the grant. When doing so, the College is required to comply with all of the terms and conditions of the award, including the applicable statutes and regulations referenced therein.

Notwithstanding these requirements, however, it is critical that all of those involved with the grant project understand that the primary purpose is to benefit the College and its students. Compliance with the funding source requirements is critical to avoiding the distractions and associated activities, including even termination without benefit.

- A. Management Systems: The College is required by federal and state law to have in place and comply with management systems which meet identified standards. These management systems govern how the College conducts its business, and covers financial, personnel, property, purchasing and other support activities. These systems must include checks and balances so that no one employee solely controls, without oversight, an activity (including a grant project). Failure to comply with an applicable system's requirements can result in disallowed costs and/or suspension or termination of a grant project. Depending on the circumstances and at the discretion of the College (or a funder), it can also result in an adverse personnel action(s) or even civil or criminal charges.
- B. Project Director (PD): Sometimes referred to as the Principal Investigator (PI), this position has the overall day-to-day management responsibility for all aspects of the grant project. This normally includes direct supervision of all grant project staff and the initiation of all necessary transactions such as payment requests, requisitions, personnel actions, reports, etc. The PD or PI ensures services are provided as specified and in accordance with all of the terms and conditions of the grant, and according to established activity schedules.

In the case of large and very complex projects with multiple facets, other grant personnel may be designated as Co-PDs or Co-PIs. These individuals will have management responsibility over defined separate aspects of the project, but the overall leadership and management responsibility remains with the PD or PI.

The PD/PI will be fully supported by the Grants Management Office throughout the performance period of the grant, as well as through any audit process following the grant's term. See subsection C which immediately follows. This relationship will already have been developed during the application process, and its nature and extent will depend on the scope of work and the terms and conditions of the grant.

As an initial post-award starting point, the PD/PI should immediately meet to go over the award notice and to promptly initiate start-up activities. As would be applicable to the grant, refer to Chapter VIII of this Guidance, *Initial Actions upon Receipt of Grant Award*.

C. Grants Management Office: This office, through an assigned Grants Manager and Grants Specialist, exercises general oversight of all EPCC grants. However, this responsibility is solely advisory and does not entail any management or supervisory authority over the Project Director. All transactions initiated by a grant program must be forwarded through the Grants Management Office which will review each transaction to ensure it complies with the scope of the grant; includes an appropriate justification; and is consistent with the budget, the terms and conditions of the grant, and EPCC policies and procedures. These transactions include:

- New Banner budgets accounts initiated by the Grants Management Office.
- Requests for budget modification (must be made in Banner by Grants Management)
- Purchase requisitions (through the Banner queue)
- Personnel actions
- Check requests
- Out-of-town travel requests
- Travel reimbursement requests (out-of-town and local)
- Documents requiring approval and/or signature of the AOR (President)
- Staffing Time and Effort (T&E) reports (see Chapter XV of these Guidelines)
- Consultant/Service Agreements
- Student Stipends

The Project Director should ensure there are sufficient funds in the Banner account line item to be charged prior to initiating a transaction. Insufficient funds constitute the basis for the majority of transaction disapprovals.

Should the Grants Management Office find cause to withhold sign-off on a grant transaction, it shall promptly advise the Project Director with the reason and recommend an alternate manner of proceeding if one is viable. If the issue cannot be resolved, it will be forwarded to the Project Director's immediate supervisor, and further up the administrative chain as necessary until resolved.

## **XI. Grant Matching Funds Requirements**

In some cases, a funding source will require that grantees provide part of the funding for the project from other than grant funds. These are referred to as matching funds. Where this is the case, the amount and source(s) of these funds must be described in the grant application. Note that, in some cases, matching funds are banned by the funder.

A. Types of Matching Funds: There are *two types* and the RFP should be reviewed to determine if they are required, which types are allowed, and the amount or percentage required.

1. Cash: This can be either College funds expended toward grant costs or cash actually received from a source other than the College (or the grantor). Note that any match by the College normally will be a cash match since the College will invariably incur a cost. For example, the time of an instructor might be a matching “contribution” toward the grant project. Since the Instructor is paid by the College for this time, even though from an institutional account, this is a cash match by the College. Costs for College facilities use *not recovered from the grant’s indirect cost line item* still entail a cash cost to the College. A rare exception would be a case where, for example, a College employee or unpaid College volunteer contributes time toward the grant “off the clock” and without compensation; in which case this contribution would be in-kind (see below).
2. In-Kind: These are contributions toward performance of the grant, usually received as a non-cash contribution from a non-College source, and for which the College does not expend any of its funds. For example, use of meeting space at a non-College facility at no cost to the College.

B. Indirect Costs and Matching: Indirect costs, sometimes referred to as Facilities and Administrative (F&A) costs, are those costs to an organization that provides support to its various direct programs. For more detailed information about indirect costs, see Chapter XII, *Facilities and Administrative (Indirect) Costs*, in these Guidelines. Indirect costs associated with cash or in-kind match identified for a grant-funded project can also be identified as a match, *provided* this is not restricted or excluded by the funding source. However, as a general rule, items of cost that are included in the F&A or indirect cost pool cannot be separately identified as direct costs for matching purposes. This would include costs for executive services (President, Vice-Presidents, Associate Vice-Presidents, and to some extent Deans), administrative support (Accounting, Personnel, Purchasing, etc.), and facilities (including associated maintenance, utilities, security, etc.). As a related matter, when tuition is included as a chargeable cost to a project, care must be taken to ensure that a cost that is part of the tuition is not separately identified as a match cost as well. Consultation with staff

at the Grants Management Office and Financial Services is recommended whenever these types of costs will be treated as direct cost to a grant or as matching.

- C. Matching Cost Allowability: To be accepted as legitimate matching, a cost must stand the same test as grant funds: 1) allowable, 2) necessary, 3) reasonable, and 4) allocable (see Chapter VI, §C.5 of these Guidelines).
- D. Leverage: Some RFPs will encourage (or require) leveraging by the applicant/grantee. This is an additional value the grantee adds to the program/project, but not as a required matching amount. This would be where another existing program is used to work together with and support the grant program at no cost to the grant. The value of leverage is generally not to be included as part of the application's budget total, but will be addressed specifically as value added (leverage) in the budget justification. It often is considered in rating applications.
- E. Documentation of Matching Funds: The value of any contribution should be established on the basis of what the cost to the College would be if the College paid for what is being contributed. In the case of personnel, this would be the reasonable salary and fringe benefits for a like paid position employed by the College (same duties and qualifications) for a volunteer. For classroom space provided by another entity at no cost to EPCC, it would be the fair market rental value for that particular space for the time it will be used for the grant project. For supplies or equipment, it would be the retail cost were the College to purchase (or lease) the commodity.
- F. Caveat Regarding Matching Funds: Whenever a cash or in-kind match is required or has been committed by the College or another source, the "expenditure" of this match must be tracked and recorded and can be subject to audit by the funding source or as part of the annual Single Audit (see Chapter XXI of these Guidelines). If this audit finds that the full amount of the required or committed match has not been contributed (actually not expended or inadequate records to support the expenditure), expect that the funding source will disallow a proportionate amount of grant funds, regardless that they were actually expended on the grant project. For example, if the funding source requires a 10% College match, but only half of that amount can be supported, then the funding source will disallow half of the grant funding. If the match requirement is based on a *statutory* requirement that authorized the program, the funding source will be *legally compelled* to disallow the proportionate amount of grant funds. Since this is a very harsh result, the Project Director should pay close attention to maintenance of records supporting matching contributions.
- G. Tracking Matching Funds: The source and nature of records needed to adequately track matching contributions will vary depending on the type and basis of the match.
  - 1. Cash Match: If the source of cash expenditures is a College institutional account exclusively used for the grant program being matched, then College Banner accounting

records should suffice. On the other hand, if the institutional account supports other non-grant activities, then additional records will need to be maintained (such as a monthly Time and Effort report by an Instructor which shows the percentage of his or her time spent on all College-paid work, as well as that specifically on the grant project).

2. In-Kind Match: The adequacy of records for these contributions will depend upon the nature of the contribution. If the contribution is the time of another organization's paid employee, then that organization will need to provide salary (and fringe) information for that employee, as well as a Time and Effort report that describes grant-related activities for the time spent on the grant project and the associated costs for fringe benefits and applicable Facilities & Administrative (indirect) costs. If the contribution is use of space, there should be a showing of the fair rental value and a log showing dates and times the space was utilized specifically by the grant project. If it includes supplies or equipment, then a statement of the retail cost (or cost to lease if appropriate) and the source of this information should be placed in the record.

**Note** that if matching funds are offered in a grant application that does not *require* a match, once an award is made based on that application, the match becomes legally required and subject to the same consequences as if the match were required for the application.

Constructing matching budgets and justifications for grants is normally done during the grant application phase. Once an award is received, and prior to initiation of the project, the Project Director should ensure that all matching contributions will be properly recorded so that they will stand up to an audit by the funding source. Funding sources will generally not permit construction of supporting documentation after an audit finds they are inadequate or non-existent. The Project Director should consult with the Grants Management Office concerning this requirement, as well as the College's Accounting and/or Human Resources offices when they will be involved. Note that EPCC's required Time and Effort report forms (in fillable pdf format) can be requested from the Grants Management Office. See Chapter XV of these Guidelines for more information on Time and Effort reporting.

## **XII. Facilities and Administrative (Indirect) Costs**

Externally-funded projects or programs will require support from their sponsoring organization for services that are not direct costs to the project or program. Without this support the project or program cannot even be initiated, much less function. Because these are not direct costs, application developers and Project Directors often overlook this requirement when developing budgets, particularly when the funding source does not address this cost area in its announcement inviting applications.

A. Definition: Facilities and Administrative (F&A) costs are costs that are incurred for common or joint objectives and, therefore, cannot be *readily* identified with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with and sometimes referred to as "indirect" costs.

B. Types of F&A Costs:

1. Facilities: This cost area includes land and buildings and costs associated with facilities including utilities, maintenance, security, depreciation, leases, and the like.
2. Administration: This cost area includes executive and general administrative costs such as the CEO, governing board (except for government entities), Accounting, Human Resources, Property Management, Purchasing and Contract Management, Information Technology, and other organizational support functions utilized by all activities and programs of the College.

C. Allowability of F&A Costs: The extent to which F&A or indirect costs can be recovered (or used as a match) under an externally-funded project or program will depend on the following:

1. As with any direct cost, each indirect cost item must be allowable, necessary, reasonable, and fairly allocated to the project or program to be charged.
2. Any cost item treated as indirect by an organization cannot also be treated as direct.
3. The funding source has not excluded F&A or indirect costs as a reimbursable (or a match) item under its program.
4. If allowed, the costs budgeted or claimed must comply with any *limitation* on indirect costs established by the funding source.

D. Subgrants vs. Contracts: Recovery of F&A or indirect costs by subgrantees (beneficiary organization performing a *substantive* part of the work under the prime grant) is subject to the same rules and limitations as apply to the prime grant. Contracts to acquire goods and services are *not* subject to those rules and limitations (although the record must still show that the overall price to which the parties agreed is fair and reasonable).

E. Methods of F&A (Indirect) Cost Recovery: Provided that a funding source permits recovery of F&A costs (including allowance as matching funds), and subject to any limitations in the announcement (computation method or amount), there are several methods by which an organization can identify and recover F&A costs. The following possible methods are very generally described. For more detail, consult with someone with an appropriate accounting background. For federal guidelines, refer to OMB Guidelines found at 2 CFR Part 200.414, et seq.

1. Indirect Cost Rate Agreement: Under this method, an organization submits a cost proposal to its cognizant federal agency (in the case of EPCC, this is the U.S. Department of Health and Human Services or DHHS). The federal agency then negotiates the proposal with the organization, and a formal signed agreement results covering a defined period after which it must be renewed. The agreement will also specify the type of rate (provisional, fixed, etc.), definitions of which go beyond the scope of these guidelines. EPCC currently has a rate agreement covering the period September 1, 2019 through August 31, 2021 which provides for 41.00% of direct salaries and wages, *plus* associated fringe benefits. This will remain in effect as a provisional rate afterwards, and/or until amended.
2. De Minimis Rate: This rate is allowable for organizations that have never had a rate, and is set at 10% of modified direct costs. Modified direct costs are total direct costs less:
  - a) Direct grants such as scholarships and stipends,
  - b) Equipment purchases (item cost =>\$5,000 with a one or more-year life expectancy), and
  - c) That amount of *each* contract or subgrant that exceeds \$25,000.

A De Minimis Rate Agreement should include a listing of those F&A items that are covered by the flat rate (and cannot then also be charged in whole or part as a direct cost). Note that the **U.S. Department of Education** (34 CFR 75.563) and the **National Institutes of Health**, by regulation limits F&A recovery on some of its programs to the lesser of:

- a) 8% of modified direct costs or
- b) The amount allowed under an existing negotiated rate agreement.

Note also that, while many agencies with a rate limitation will allow the uncollectable difference between an existing negotiated rate and a flat rate to be applied toward a required cash matching amount, the Department of Education will not.

3. Tuition Charge: Under some grant programs that entail providing courses for students, a tuition fee or contact hour charge will be reimbursable as a direct cost. To the extent that this is a publically advertised fee, it is presumed to include all related F&A costs associated with that course. Consequently, any such amounts should be excluded from a

direct or modified direct cost base used to compute an F&A amount. Otherwise, the record should show what items of cost were included in determining the tuition fee or contact hour charge.

- F. EPCC F&A Collection Policy: It is the policy of the College that the full costs, including F&A costs, for all externally-funded projects or program be recovered from the funding source. Whenever full costs will not be so recovered due to a required match or acceptance of F&A recovery rate that is less than the College's existing indirect cost rate agreement (refer E.1 above), the College becomes liable for these unrecovered costs. With the exception of third-party cash or in-kind match amounts, this represents actual expenditures by the College which can aggregate to a substantial amount during the course of a single fiscal year (about \$1.6 million in FY 2019). Accordingly, prior to the submission of any application for an externally funded project or program, the Grant Summary & Authorization (GS&A) form must include a statement indicating the amount of match required and the amount of F&A (indirect) costs that will be uncollected. If less than the full rate, the GS&A must include a statement explaining why the College's increased contribution from institutional funds is in the best interest of the College. Approval of the GS&A by the President, on advice of the Cabinet, may be deemed as approval of the College's financial commitment.

However, be aware that, if an award is received, the College Board of Trustees could decline the award due to funding concerns. Consequently, the justification for reduced or no F&A collection should be clear and compelling so it can be well defended by the College President.

### **XIII. Grant Income**

Although rare, there may be grants awarded to the College that will generate program income. This would be the case, for example, where classes will be provided under the project and participants will be charged a fee for attendance. Where this is the case, a separate account must be set up in Banner into which these payments will be recorded, and from which (generally) some or all of the grant program costs will be paid. Generally, grant program income may only be used for purposes approved under the grant agreement and only for purposes that further the grant project. Otherwise, they must be returned to the funding source. Read the grant and/or the associated governing regulations.

If this will apply to a project, the Project Director should contact Accounting to set up this account (it is *not* done by the Grants Management Office). Subsequently, as checks or cash (or credit card) payments are received, they should be given to a campus cashier and designated for deposit in that account. Payments related to the activity generating the income should usually be then made from this account as well. Care should be given to ensuring proper documentation of these activities for future audit purposes. If there are questions in this area, the Project Director should seek clarification from the funder's designated contact person or Grants Officer; or contact the Grants Management Office.

#### **XIV. Grant Budgets, Amendments and Carryover**

Detailed grant budgets, supported by justifications, are developed during the application process. Unless renegotiated with the funding source at the time of award, these initial budgets will be entered into the Banner system using that system's item codes (line item designations), and Project Directors are expected to make expenditures accordingly.

However, it is recognized that these initial budgets are based on best estimates, and circumstances or events may cause a need for adjustments as the grant project proceeds. Chief among these are late starts, salary adjustments, variations in fringe benefit costs, and equipment or supply price changes. Funding sources generally recognize this reality and will often include a provision in the award that permits a grantee to make limited line-item adjustments without the prior approval of the funding source. However, this authority may not extend to some line items such as indirect costs or amounts for student stipends/scholarships. These changes must also be within the scope of the project and not require additional funding from the funding source. For federal funded programs see <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.407>

When the term set by the grant award has been reached, there may be some unexpended balances remaining which the Project Director determines can be used to continue or complete approved grant services. Many grant agreements will include a provision which permits a grantee to initiate a *one-time* no-cost grant extension for *up to 12 months* by providing notice to the funding source. Otherwise, the Project Director must secure approval from the funding source before continuing expenditures beyond the current grant term date. Note that allowance for these extensions usually come with the caveat that the extension cannot be used solely for the purpose of spending the balances (it must be to allow completion of planned services and/or legitimate grant close-out costs).

- A. Budget Amendments/Revisions: When the Project Director determines that the grant budget needs to be amended, he or she should proceed as follows:
1. Secure an up-to-date Banner report on the status of the account by line item (the Grants Management Office can assist if necessary)
  2. Determine the line item revisions [+ / (-)] that are desired and supportable
  3. Review the grant agreement to determine whether these changes will require prior approval by the funding source (contact the funding source if there is any doubt)
  4. Submit the revised budget and justification(s) to the Grants Management Office for concurrence
  5. Submit the proposed budget revision for review and approval to the responsible Dean, Director, AVP, and/or VP per their standing requirements for review and approval.

6. If required, submit a request for a budget revision to the funding source and take no action until a response is received.
7. If advanced approval is not required or has been obtained from the funding source, request that the Grants Management Office proceed with the budget amendment (forward the funder's approval if it was required)
8. The Grants Management Office will then proceed to process the revision (allow up to three working days before it will be effective in Banner)

B. Grant Extensions/Carryover: When it is determined that a grant extension will be needed and is in the best interest of the grant program, the Project Director should proceed as follows:

1. Review the grant agreement to determine what if any approvals or notices to the funding source are needed, and any conditions and time constraints involved (note that, to be valid, a self-approved extension notice usually must be submitted forty-five days prior to the current term date and can only be done *one time* and for a maximum of *12 months*).<sup>4</sup>
2. To the extent a budget revision will also be associated with the extension, which is often the case, proceed as appropriate with the steps in Subsection A (immediately preceding).
3. Consult with the Grants Management Office while developing the plan
4. Submit the Extension/Carryover plan to the Dean, Director, AVP, or VP per their standing requirements for review and approval.
5. Submit the notice or request for approval to the funding source and, if prior approval is needed, take no action until it is received.
6. Submit the extension notice or approval, along with any budget revision, to the Grants Management Office.
9. The Grants Management Office will initiate the grant extension and any budget revision into Banner (allow up to three working days before it will be effective in Banner).

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<sup>4</sup> Note that this change will also affect the due date for the final close-out reports if it is for the final year/budget period of the grant.

## **XV. Time and Effort Reporting**

Time and Effort (T&E) reporting is required for employees whose salary is paid in whole or in part with grant funds or is used to meet grant cash match requirements. The exceptions are fixed-price grants or when the funding source does not require T&E reporting.

- A. What are T&Es? T&E reports are certified records that report the amount and percent of time (hours) worked on each project and the compensation charged to each project for a specific period. The T&E report must include 100% of the employee's time for the reporting period and must be completed based on actual hours worked, not hours paid. It is an after-the-fact document that should be completed only after all work for the reporting period has been performed, and not be based on predictions. The completed and signed report must be submitted by its due date.
- B. Why T&Es? T&Es serve as receipts for labor. Failure to comply with the T&E reporting when required under a grant can result in the disallowance of all or some of the grant funded pay and fringe costs, or a proportionate share of grant funds when required for matching funds. A false T&E certification (knew or should have known) can result in an adverse personnel action or even criminal charges for employees and/or supervisors knowingly signing such certifications.
- C. T&E Process: El Paso Community College (EPCC) has a Time and Effort Report procedure (CAM-2) in place which is compliant with federal guidelines issued by the U.S. Office of Management and Budget (OMB). EPCC's procedures and forms can be found at [EPCC - Institutional Effectiveness - Policies & Procedures](#). The basic process is as follows.
  - 1. EPCC's T&E system has two reporting methods:
    - a) Monthly Time and Effort Report. Completed by personnel whose contract is based on clock hours attendance. This includes full-time and part-time vocational/special programs instructors, administrators, professional support, and classified staff. This report is completed on a monthly basis. It is initiated by the employee and reports the number of hours worked for a specific month. This report is due 30 calendar days after the end of the month to be reported. Note that personnel employed 100% of their time at EPCC from a single grant's funds need not complete a T&E. However, it does need to be report if the support is from an institutional *matching funds* account
    - b) Credit Faculty Time and Effort Report. Full-time and part-time credit faculty complete this report, including librarians and counselors. This report is completed on a semester basis. It is initiated and pre-completed by the appropriate Dean's office based on the employee's Faculty Assignment/Action Form (FAAF). The Dean's office then forwards it to the faculty member and to the Grants Management Office for review. The completed and certified report is due 15 calendar days after the end of the semester.

2. Changes in the grant work load activity must be identified and adjusted in a timely manner to make sure that the hours worked in each project are reported accurately and final amounts being charged to the grant are accurate, allowable, and properly allocated.
3. At the end of the reporting period, the employee completes and signs the T&E report and forwards it to the immediate supervisor. The immediate supervisor should compare it against payroll charges to make sure there are no discrepancies.
4. The report is then forwarded to the Grants Management Office; which office checks for patent errors. The Grants Management Office maintains an electronic T&E file storage system which is accessible by the Accounting Department and is available for audits.
5. The Accounting Department will perform internal periodic sample reviews by account to reconcile payroll charges with T&Es. If actual time worked differs from payroll charges, payroll charges must be adjusted to reflect actual work hours/charges as reported on the T&E.

Time and Effort Report training for staff and faculty is available at any time from the Grants Management Office (on a group or on an individual basis).

## **XVI. Personnel Working Under Grants**

When developing a grant proposal, and for budget estimating purposes, the Project Director has to consider which type of personnel are needed and how much time each employee will dedicate to the activities of the project. As soon as it is known that the project has been awarded, the process of hiring personnel should start.

- A. Allowability of Personnel: Staffing is generally an allowable cost for grants. Title 2 of the Code of Federal Regulations (CFR), §200.430 and §200.431, provides that compensation for employees working under grants, including fringe benefits, is allowable to the extent that it is reasonable for the services rendered and conforms to the established written policies of the grantee institution.
- B. Laws and Procedures: EPCC follows federal employment laws, and applicable chapters of the Texas labor codes. The process to select and hire an employee is determined by workload requirements and available funding. EPCC employment procedures can be found at <https://www.epcc.edu/Administration/InstitutionalEffectiveness/policies> (click on Section III).
- C. Creating Grant Positions. If there is an existing approved job description that accurately describes the duties of the position, hiring can be based on that job description, with Human Resources concurrence. However, if there is no appropriate job description, the Project Director must initiate the process to create a new position by preparing an EPCC Job Assessment Tool (JAT) form available from the Human Resources Office. EPCC's Human Resources Classification and Compensation office or the Grants Management Office can be contacted for assistance.

When developing a new position, the Project Director should consider the following so the goals and objectives of the program/project can be achieved.

- Knowledge Required by the Position
  - Supervisory Controls (type and extent exercised by the position's supervisor)
  - Guidelines (nature and degree and judgement to be exercised by incumbent)
  - Complexity (nature, variety, number, and intricacy of assigned responsibilities/tasks)
  - Scope and Effect (effect of work both within and outside of the organization)
  - Personal Contacts
  - Purpose of Contacts
  - Physical Demands
  - Work Environment
- D. Hiring Personnel. Personnel actions must be completed, including all appropriate approvals, before any salary can be paid from a grant budget. Externally-funded positions are initiated on a temporary employment basis (for the period of the grant) and can be either full-time or part-time.

E. Administrators, Professional Support, and Classified Staff:

- Full-Time positions work a minimum of 40 hours per week (2,088 hours/year). They are normally hired on a competitive basis and their contract is initiated by a Personnel Action Record (PAR) form initiated by the immediate supervisor and submitted to the Human Resources Office through the appropriate approval queue.
- Part-Time employees' workload is limited to no more than 19 hours per week. They may be hired in a noncompetitive basis and their contract is initiated by the immediate supervisor using an Employment Action Record (EAR) form. The supervisor must ensure that the employee meets the qualifications for the position before submitting the EAR to Human Resources Department through the appropriate approval queue.

F. Faculty: A Faculty Assignment Action Form (FAAF) must be completed for full-time or part-time credit faculty, vocational/special programs instructors, and contracted faculty. Any faculty time charged to a grant must be included in the faculty member's FAAF and must be approved by the appropriate Dean. Faculty categories include the following:

1. Vocational/Special Programs Faculty: Within the 40-hour work week, adult vocational and special program instructors will be assigned a minimum of 24 direct student contact hours per week. Fourteen-sixteen hours will be assigned for instructional related activities including office hours, committee work and professional development. Additional hours will be assigned based on program needs.
2. Contracted Faculty: The workload for contracted faculty will differ according to program needs and will be determined by the Dean/Director and appropriate Vice President. The workload guidelines for each program are on file in the Human Resources Office.
3. Credit Faculty:
  - Full-Time is based on a nine-month contract (Fall and Spring semesters) that provides for an Institutional Base Salary (IBS). This IBS varies depending on the person's education, years of service, etc. Their regular total clock hours for the academic year are 1,320 and the hourly rate is computed by dividing the IBS by 1,320. The standard assignments for Credit full-time faculty are 15 credit or 21 contact hours in each semester (or 30 credit or 42 contact hours per academic year).
  - Release time occurs when the *full-time* faculty is released from part of his/her instructional load to dedicate time to a grant or other assignment (usually non-instructional). Release time is paid at the IBS hourly rate, and the full-time fringe benefit rate applies.
  - Overload can be an instructional or non-instructional assignment performed during the Fall or Spring semesters. This work is in addition to the regular workload, and is paid

using the Part-Time Faculty Salary Schedule published annually by HR and the part-time fringe benefit rate. The number of overload hours is limited by College policy.

- Part-Time faculty workload is a maximum of 19 hours per week in a combination of assignments and normally a maximum of 18 credit hours of instruction per academic year. Their pay rate is based on the Part-Time Faculty Salary Schedule.<sup>5</sup>
- Summer Assignments can be instructional or non-instructional assignments done during the summer term. These assignments are paid at the part-time rate using the Part-Time Faculty Salary Schedule issued annually by the Human Resources Office.

G. Faculty Assignment Approvals: All credit faculty are assigned to a Dean (supervisor). Work on a grant, whether as release time or overload, must be approved by that Dean. Work on a grant does *not* create a supervisory relationship between the faculty member and the grant's Project Director. As a consequence, it is critical that there is a clear understanding by faculty member, the Dean, and the Project Director concerning the work to be performed by the faculty member (nature and time). A descriptive record of the assignment is also needed to support budget justifications on grant applications and possible audit questions on awarded grants. The following is the process that the Project Director and faculty member should follow to establish and approve these assignments.

- Determine the service(s), activity(s), and/or deliverable(s) that will be provided by the faculty member for the term(s) involved (fall, spring, summer, or inter-session)).
- Establish any delivery date(s) or other activity schedules.
- Estimate together the number of *clock* hours it is reasonable to expect the assignment will take (supported by the description and which the faculty member can reasonably demonstrate were expended after-the-fact if audited).<sup>6</sup>
- If time needed cannot be mutually agreed, consult with Dean(s) involved and with the Grants Management Office.
- Write out the agreement (service, and/or deliverables, clock hours agreed, time periods, release or overload, and pay rate).
- Acquire approval of responsible Dean (both supervising and who oversees the grant if different).
- Ensure hours and pay rate are included by the supervising Dean in the faculty member's FAAF and that a T&E is generated (if required) (which includes this and all other assignments).
- Submit FAAF and back-up material to the Grants Management Office for required concurrence and sign-off.

The Grants Management Office can provide upon request an optional pdf-fillable form that can help with the above documentation and approval sign-offs.

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<sup>5</sup> <https://www.epcc.edu/Administration/HumanResources/ClassificationCompensation/Part-Time%20Faculty%20Salary%20Table.pdf>

<sup>6</sup> It is the work performed that is determinative, *not* the 92 clock hours associated with a 3 credit course.

It is important, particularly concerning non-instructional assignments, that all parties understand that any charges to a grant must be allowable, necessary, reasonable, and allocable to the grant program or project. Where this involves an overload, it does add to the 40-hour week workload for full-time faculty. Funders such as particularly the National Science Foundation and the National Institutes of Health are clear that they recognize this and do not want to pay again for work that is part of the “other educational activities” (15 hours/week) that is part of the normal full-time faculty workload. Faculty will be required to *certify* on their T&E that they did indeed work the time stated on the grant and all other non-grant assignments.

- H. Fringe Benefits. Fringe benefits (retirement, social security, leave, health insurance, pension plans, unemployment, etc.) are allowable provided that these benefits are reasonable, required by law, and/or established in written policies of grantee institutions. Fringe benefits must be allocated to grants consistent with the grantee institutions’ accounting procedures.

The EPCC full-time fringe benefit rate averages about 35% of salary or wages. However, depending on the employee’s election, particularly health plans, these rates can be significantly higher. The part-time fringe benefit rate is 11.0% of salary or wages.

During budget development, the Grants Management Office’s **Fringe Benefit Calculator** should be used to most accurately estimate this cost, and it will need to be submitted with the Board abstract should an award be received. The Calculator can be accessed at the Grants Management website or provided by Grants Management staff.

- I. Employee Evaluations. The College requires employee evaluations on an annual basis to recognize superior performance, improve employee performance, ensure duties performed are consistent with the College goals and objectives, and to enhance professional development.

The period evaluated is September 1<sup>st</sup> through August 31<sup>st</sup>. The performance evaluations are available through EPCC’s electronic system during the evaluation period. The employee initiates the evaluation, and forwards it to the evaluating supervisor. After the evaluation is completed, the employee and supervisor meet for discussion. Then, the evaluating supervisor forwards the completed evaluation, including any employee comments, to the next level supervisor for review, and then it is forwarded to the Human Resources Office.

## **XVII. Purchasing Under Grants**

Most grant programs will require goods or services that will need to be purchased. This might be a small amount of office supplies, or items such as computers, furniture, lab equipment, or the services of a consultant to meet a program evaluation requirement. Regardless of how minimal, it is important that applicable purchasing procedures be followed to avoid disallowed costs.

### **A. Legal Requirements:**

1. **EPCC:** EPCC's policies and procedures governing purchasing can be found at the website for EPCC's Office of Purchasing and Contract Management (CF-2, *Purchasing Procedures* and CF-1, *Service Agreements*).<sup>7</sup>
2. **State:** As a Texas state-chartered institution, EPCC must comply with state rules governing purchasing. Significant among these are §§2155, 2254, 2267, and 2269 of Title 10 (Government Code) and §44.031 of the Texas Education Code.
3. **Federal:** Where federal funds are involved, the basic rule is that the grantee should use its own purchasing system; *but*, that purchasing system must comply with the standards prescribed in the guidelines of the Office of Management & Budget (OMB) found at 2 CFR §200.318.<sup>8</sup>

### **B. Purchasing Methods:** The method used to make a purchase will depend upon the nature of the goods and services to be acquired and the dollar value involved. Primary methods are:

1. **Petty Cash:** \$100 or less (receipt and account number provided on a Petty Cash Reimbursement/Disbursement form to campus cashier).
2. **Check Request:** =< \$500, and also for certain items listed at CF-2 (check request form is sent to EPCC's Accounts Payable Department through the Grants Management Office). Note that items that must be asset tagged (e.g., computers) cannot be purchased with a check request.
3. **Requisition:** For items usually > \$500, excluding above exceptions, requisitions are processed through the automated Banner system through an approval queue to the Office of Purchasing and Contract Management.

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<sup>7</sup> [EPCC - Institutional Effectiveness - Policies & Procedures](#)

<sup>8</sup> [https://www.ecfr.gov/cgi-bin/text-idx?SID=1bb0a137139a2fb1e405ba831eb78d46&mc=true&node=se2.1.200\\_1318&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=1bb0a137139a2fb1e405ba831eb78d46&mc=true&node=se2.1.200_1318&rgn=div8)

4. Service Agreement: Used to hire an individual to provide expertise, guidance, evaluations, or other like services (accomplished in accordance with CF-1, which includes an agreement template). There are two service agreement templates. One is for use with federal funds:  
[https://www.epcc.edu/Administration/Purchasing/Documents/Services\\_Agreement\\_Using\\_Federal\\_Funds.pdf](https://www.epcc.edu/Administration/Purchasing/Documents/Services_Agreement_Using_Federal_Funds.pdf). And the other for non-federal funds:  
[https://www.epcc.edu/Administration/Purchasing/Documents/Services\\_Agreement.pdf](https://www.epcc.edu/Administration/Purchasing/Documents/Services_Agreement.pdf)
5. Other: In some situations, there may be a directed source of supply that should be used and which should save money and time. A grant account may be included on an open purchase order (such as an office supply store). Textbooks should be requisitioned through the College Book Stores. Certain telecommunication supplies and services, hospitality services (on campus), printing, Information Technology services, and facility repair and renovation services should be secured through or under the guidance of the appropriate College office.
6. Federal Funds: Where federal funds will be used to support a purchase, the rules at 2 CFR §200.320<sup>9</sup> should be followed, *except* where the otherwise applicable College procedure is more strict. Then the College procedure should be followed.

C. Source Selection and Cost: Items purchased under grants must meet the same tests as other grant costs. The cost must be allowable, necessary for performance, reasonable as to price and quantity, and fairly allocated to the grant in proportion to the benefit received. The primary goal of the purchasing system is to acquire from responsible vendors those goods and services that meet the needs of the buyer at the best price available when all factors are considered (product or service, delivery, warranty, support, reliability, etc.). Factors to be considered and steps to be taken are as follows.

1. Cost and Pricing: Most purchases are fairly straightforward and will entail little more than reviewing advertised prices and available discounts for common/known products in stores and catalogues. However, in some cases the need will best be served by securing quotes from providers. This will require development of the product description, or *specifications*. In the case of services, a description of minimum vendor *qualifications* and development of the *scope of work* to be performed is required. An internal “should cost” budget should be developed to compare with vendors’ proposed prices.
2. Specifications: When seeking bids or quotes for goods, a Buyer can advertise two types of specifications, design or performance.

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<sup>9</sup> <https://www.ecfr.gov/cgi-bin/text-idx?SID=6ba08f303e2ea963207aeb1a53ad363a&mc=true&node=se2.1.200.1320&rgn=div8>

- Design specifications describe the physical attributes of the item, such as construction, weight, measurements, configuration, composition, and the like. Purchase of a desk, for example, would likely be done on that basis. When purchasing solely on design specifications, the *Buyer* takes the responsibility that, if the design is strictly followed, the item will serve the intended purpose.
- Performance specifications describe how the item should perform. As one example, a laptop would best be purchased based on the performance requirements of the software to be used. Where quotes or bids are based solely on performance specifications, the *vendor* takes the responsibility that the item will perform as required.
- A combination of design and performance specifications can be used. However, this should be done cautiously because there is a risk that they will conflict with each other and thereby frustrate the intended purpose.

Whichever specifications are used, they should be complete and carefully developed and written to ensure clarity. Because the Buyer is the author, the vendor will prevail if a vendor's conflicting interpretation is found reasonable; although the vendor does have an obligation to inquire if there is an obvious question. Before requesting quotes, the Buyer should develop a price estimate against which vendors' quotes can be compared (with assistance from any available experts in the College). Bids or quotes at significant variance from the Buyer's estimate will strongly suggest a problem with the College's specifications. (See 3 below.)

Under no circumstances should a vendor's product specifications be used to save time or to favor a preferred product. The Buyer must justify each of the critical specifications used, (i.e., why needed), particularly where they might eliminate competition.

3. Qualifications and Scope of Work: When *services* are to be purchased, the qualifications of those who will perform the work must be considered in addition to price. In these cases, the buyer will request both (price quote and resume) from interested vendors and decide the award based on an aggregate of points accorded for price and for qualifications and associated factors. Here again, the buyer needs to carefully design and describe the work that will be performed. A "should cost" budget will be developed that covers the time required (including prep or development hours) for the people who will be reasonably needed to complete the required work. Research should be done to ascertain usual hourly pay rates. Fringe benefit amounts should be added. Include supplies, equipment, facilities, travel, etc. as will be needed to perform. Any of that which will be

provided by the Buyer should be excluded, and this should be clearly stated in the bid or quote request. Finally, ensure the “should cost” estimate includes reasonable amounts for overhead (business expenses) and a reasonable profit if other than a sole proprietorship. In these cases, a service contract will likely result and the EPCC procedure for service contracts should be followed. For larger cost contracts, the bid/proposal document should be prepared by EPCC’s *Purchasing & Contract Management office*, which office will also oversee the selection process and make any award. However, the scope of work and the cost estimating are the responsibility of the grant personnel. If assistance is needed, contact the Grants Management Office.

- D. Justification: A purchase requisition must include a justification that demonstrates that the item or service to be purchased is allowable under the grant, necessary for grant performance, reasonable as to quantity and price (in the context of the grant’s need), and fairly allocated to the grant (if the grant pays 100%, grant usage should be 100%).
- E. Caveats and Recommendations: The following are provided as helpful advice or as cautions to avoid delays or purchasing disasters.
1. Be sure to read and follow the appropriate EPCC Procedure when initiating any purchase. If questions, contact the Grants Management Office or the Office of Purchasing and Contract Management.
  2. All requisitions and other type purchase documents using grant accounts must be submitted through the Grants Management Office.
  3. Note that any purchase => \$50,000 must be bid under state law and requires approval by the College’s Board of Trustees - and so additional time will be required.
  4. Never break up a purchase into smaller segments to avoid requirements associated with certain dollar levels.
  5. Be aware that contracts with EPCC employees or members of their immediate family are prohibited.
  6. Equipment is any item costing \$5,000 or more and with a useful life expectancy of one year or longer. However, “sensitive” items such as laptops, cameras, and the like which are “attractive,” easily portable, and readily marketable on the street should be purchased using account code 71123 so they can be tagged, listed in inventory, kept secure, and tracked.
  7. Where federal funds are involved, vendors must be checked against the federal System for Award Management (SAM) prior to an award; and they are ineligible for an award if they are listed as debarred.
  8. Since EPCC is on an accrual accounting system, purchases are recorded as a cost when the actual purchase is completed or when a legal obligation is created by an authorized signature on a contract. However, purchases made close to the term date of the grant

should be well justified as to cost necessity and allocability, particularly if delivery or performance will occur after the grant term date. Some grant funders (the THECB as one) will set cut-off dates for expenditures and may require that delivery occur during the term of the grant.

## **XVIII. Grant Reporting**

Invariably, all grant agreements will require reports. At a minimum these will include a certified financial report and an annual performance report. Other reports may also be required and the Project Director should carefully review the grant agreement at the start of the project to determine these requirements and their due dates. Do not wait until you receive a demand for a report to start developing it. The Grants Management Office can assist in the development of these reports, including with the submission process when reporting is required to be done electronically.

Note that some funding sources require that reports be signed by the grantee's AOR. If this is the case, allow additional time for the internal signature process.

- A. The Financial Report should be developed, by the College's Accounting Office in accordance with the format and schedule set out in the grant agreement. It should be certified by:
- the Accounting Official, attesting that the expenditures are documented, *and*
  - by the Project Director, attesting that the expenditures were made in proper performance of the grant.

Prior to the report's preparation, the Project Director should work with the assigned EPCC Accountant to ensure that the financial data in Banner is correct and complete. Do not assume that all entries against the grant account are correct. A transposition of a digit in the recording of an entry to another account in another office could result in an erroneous charge to the grant account. Understand that entry errors can occur and the Project Director should regularly monitor Banner reports to identify errors and work with the EPCC Accountant to get them corrected.

Note that, with regard to federal funding, financial reporting is generally required no less frequently than annually and no more frequently than quarterly. Reporting is separate from billings and payment. Payments under federal programs are to be made in advance, unless one of the regulatory exceptions is cited. Provisions covering federal payments and exceptions, including when a subgrant is involved with a pass-through entity, can be found at 2 CFR §200, Subpart C.

- B. The Performance Report will normally be consistent with the evaluation plan described in the grant application. It will measure progress toward the goals, and include both quantitative and qualitative measures. At the start of grant performance, the Project Director should ensure that the appropriate records system is in place to capture data as performance

proceeds. Periodic interim evaluations should be conducted to allow for improvements and to test the validity of the data collected. If an outside independent evaluator will be used, that consultant's activities should be coordinated and scheduled to coincide with reporting due dates. If there are partners involved with grant performance, and their activities will be part of the evaluation, be sure they are aware of the requirements and schedules so they can comply as well. Funding sources, particularly government entities, will often have a reporting form and/or format they require. Determine this in advance so you will be in a position to timely complete a fully acceptable report. If your grant is multi-year, funding for each succeeding year may well depend on the quality and timeliness of your report. In the case of some federal programs, when a new grant application is required to continue a valuable project or program, existing grantees can receive additional rating points based on their performance with a prior grant; and that point allowance is decided by the funding source (not reviewers) - usually based solely on past performance reports.

## **XIX. Grant Property Management Requirements**

- A. Property Types: *Real property* is defined as land and fixtures to land (structures and attachments). All other property is defined as *personal property*.
- B. Equipment Definition: Equipment is defined by El Paso Community College's Policy and Procedure CDB-1, Furniture and Equipment Capitalization Guidelines.<sup>10</sup> The College definition is consistent with federal guidelines. Property falls under this definition if it has:
- A useful life in excess of one year,
  - An identity which is not altered materially through use, *and*
  - A unit acquisition cost of \$5,000 or more.

Exceptions to these guidelines are personal property items that do not meet this equipment dollar limit (excluding real property), but which are sensitive to personal conversion (attractive, easily portable, and readily marketable) or otherwise at high risk of loss (cameras, telescopes, televisions, camcorders, laptops, and the like).

- C. Property Management: Because property acquired under a grant can be critical to the success of the program, Project Directors should take due care with the use, storage, tracking, and security of all property assigned to them.

Complete and up-to-date records should be established and maintained for each item of accountable property. At a minimum, the record for each item of property should include:

- A description of the item (including any alterations), model number, etc.
- Manufacturer's serial number and EPCC assigned property number
- Acquisition cost (excluding shipping or freight costs)
- Means of acquisition, including purchase document number, date, account(s) charged, receipt date, and acceptance date
- Current location and use (including employee sign-out or other use-permit documents)
- Condition and value upon most recent evaluation or inventory (at a minimum, an inventory should be conducted every two years)
- If applicable, disposal information to include reason, date, method, value received (sale or trade in), disposition approvals, and distribution of funds received if applicable.
- If real property, the legal description and current assessed value.

- D. Destroyed or Missing Property: Should an item of property become lost, stolen, damaged, or destroyed, the responsible Project Director should promptly report this to their immediate

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<sup>10</sup> [EPCC - Institutional Effectiveness - Policies & Procedures](#)

supervisor and to the Grants Management Office. A written report describing the circumstances should be completed, and the Project Director and other project staff should fully cooperate with any subsequent related investigation, including any resulting law enforcement investigation or prosecution activity.

- E. Property Disposition: Property acquired with grant funds should be used solely for the purpose of the grant program unless an exception is given by the funding source.

Once a grant project has been terminated, or grant property is no longer needed for grant performance, the Project Director should notify the Grants Management Office and consult the grant agreement (and any applicable referenced regulations) to ascertain appropriate disposal of the property. As a general matter, and in consultation with the funding source, property may be disposed of by:

- Return to the funding source (funding source usually specifies the location and covers shipping costs)
- Continue to utilize on the grant program/project even though no longer funded by the funding source
- Utilize on another project (with funding source approval)
- Sell the item and return proceeds to funding source in proportion to the amount of the purchase price covered by the funding source (net of price received less documented selling costs or \$100 – whichever is greater)

## **XX. Grant Records Management**

Creation and maintenance of records and files are critical to proper management of grant projects. At the start of the grant project, the Project Director should ensure that a proper records system has been designed and is in place. Written records management instructions should be developed, and all grant staff should be fully trained on the system and understand its importance. Responsibilities for records maintenance should be appropriately delegated, and the Project Director should periodically monitor compliance and immediately correct deficiencies when they are found.

A. Types of Records and Files: This will depend upon the nature and complexity of the program as well as the requirements of the funding source relating to audits and reports.

Typical types of records are:

- Participant files showing project eligibility, participant characteristics, needs assessments, service plan, and service history
- Project activity files describing schedules, completion dates, and outcomes
- Personnel files for each project employee to include the current position description, evaluations, time and attendance, and Time and Effort reports
- Cuff account files showing all project expenditures, including costs and justifications
- Property files listing all property assigned to the program or project, its condition, serial numbers, EPCC tag number (if applicable), location, and to whom assigned
- Report files, including copies of all reports and documentation supporting the contents and findings of each report
- Partner/subgrantee/contractor files which include formal agreements, correspondence, meeting records, activity history, financial transactions, and reports specifically involving these parties
- Meeting files which include the agenda, participants, discussion summaries, outcomes, and agreements reached
- Data records, particularly as are needed for reports against baseline data and overall objectives and goals.
- Other as may be indicated by the nature of the project

B. Purpose of Records: The following are the principal reasons why records are needed:

- Provides current and complete information and data needed by the Project Director and project staff to implement the project services from start to completion
- Provides continuity of activities and services
- Provides information and data required for project evaluations (formative and summative and quantitative and qualitative)
- Provides a basis for program reviews and audits
- Provides a basis for actions entailing potential legal consequences

- Provides a source for research data concerning the educational and socio-economic areas about which the project is directed
- C. Development of Records Systems: As stated earlier, it is critical that sound record systems are put in place at the outset of a grant project. To the extent that the Project Director does not have knowledge and experience in developing records systems, he or she should contact their immediate supervisor and/or the Grants Management Office for assistance. Should any records system be wholly or in part electronic, the Project Director should seek assistance in determining needed software (database, spreadsheet, etc.), developing the specific program with the software, and acquiring the training needed for day-to-day management of the software program by staff. For highly specialized software, the Project Director should arrange for user training as part of the software acquisition.
- D. Records Retention: This refers to the period of time records must be kept, generally for audit purposes, after the term of the grant project.
- Generally, this will be for three years after the final audit and all audit related issues have been fully resolved, whichever is later. The Project Director should consult with the funding source to determine if there are other requirements.
  - Records that have historical value or that may aid in future research should be retained for a longer period, and perhaps permanently.
- E. EPCC Records Management: Particularly for longer term and more complex grant projects, a substantial number of files may be generated that can eventually overwhelm the space available for the project. The College has an excellent records management system (see College Procedures at CIA-1<sup>11</sup> that can relieve this burden by providing protected and secure storage at the Administrative Services Center for records not currently needed for day-to-day project operations. As necessary, these records can be easily retrieved from storage by project staff. Further, it is important that, well in advance of the termination of a grant project, the Project Director arrange for storage of these records so they will meet retention requirements. Failure to do so will place this burden on the Project Director's immediate supervisor, and could cause serious consequences for the College if they are merely abandoned upon departure of project staff and become lost or compromised. Creating, maintaining, or transferring records to electronic should be considered to enhance efficiency and dramatically reduce space requirements.
- F. Records Security: Some records required to be maintained by a grant project may contain sensitive or confidential information about students or staff. In designing the records system, the Project Director must identify all such records and ensure that they are kept under lock and key and are only accessible to authorized staff. This includes electronic files which

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<sup>11</sup>[EPCC - Institutional Effectiveness - Policies & Procedures](#)

should be protected with passwords. Should a records security breach be detected, the Project Director must immediately notify his or her immediate supervisor with full details, and every effort should be made to minimize the potential damage that may result. A breach of records confidentiality caused by intent or gross carelessness can result in an adverse action against the responsible employee; and possibly civil or criminal liability.

Finally, if the project will involve human subjects research, the Project Director needs to work with the EPCC Institutional Review Board<sup>12</sup> to ensure that the records management system complies with all statutes and regulations and the requirements of the funder.

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<sup>12</sup> <https://www.epcc.edu/Administration/InstitutionalResearch/institutional-review-board>

## **XXI. Grant Audits**

With rare exception, all grant awards will include requirements relating to audits. As noted in the previous section, this requirement is a major reason why grant project offices need to maintain complete and adequate records systems. For EPCC, audits are performed under one or more of the following circumstances.

- A. EPCC Annual Comprehensive Audit: Following each fiscal year, the College engages an independent audit firm which performs a complete audit of all College activities; and which audit also serves as a part of the College's annual report to the community as a public agency. The report is publicly available in about March of the following year. The audit requirement is based in state law, and is also required by federal law [the Single Audit Act of 1985 which is applicable when an organization receives federal funds aggregating \$750,000 or more (directly from a federal agency or from pass-through entities under a subagreement) and which is implemented by OMB guidelines at 2 CFR§200]. When complete, EPCC's annual comprehensive report is submitted to the U.S. Department of Health and Human Services (DHHS), EPCC's cognizant federal audit agency. If there are questioned or unallowable costs or management system deficiencies reported, the DHHS will refer the matter to the funding federal agency (grantor) to resolve with the organization (through the pass-through entity if a subgrant).
- B. Audits by the Funding Source: For any of a variety of reasons, a funding source may schedule an audit of a grant project. This may involve a simple desk audit (the agency requests certain documents to be sent to it for review) or can be a comprehensive on-site audit where representatives of the funding agency arrive on site and conduct interviews and review records at the project and other offices (Accounting, for example). On-site audits will usually entail:
- A notice of the dates and purpose of the audit, identification of the audit team, and a list of records to be reviewed and personnel to be interviewed
  - An initial conference upon arrival of the audit team to establish the parameters of the audit, schedule interviews, secure records to be reviewed, and secure a location for the audit team to work
  - Conduct of the audit, which may involve questions and/or requests for additional records or clarifications
  - An exit conference where the audit team will provide a summary of its findings
  - A subsequent written audit report with detailed findings, and a request for responses where deficiencies are noted
  - Following a written clarification of all issues raised, a report listing final audit findings and determinations, a listing of possible disallowed costs or other actions (possible suspension or termination of the grant), a corrective action plan required, and a statement

of appeal procedures should the grantee disagree with any of the findings and decisions of the funding source

- C. Investigations: Should a funding source (or other appropriate agency) receive complaints of fraud, waste, or abuse regarding a grant program, the funding source or another legally empowered agency [for e.g., State Attorney General or U.S. Justice Department (includes the FBI)] may pursue an investigation which might result in civil or criminal consequences for the College or an employee(s). Although the Project Director or other grant staff or employees of the College should cooperate in every reasonable way with such investigations, when it becomes known that such an investigation is pending or underway, the immediate supervisor should be immediately informed and employees should secure legal guidance from the College before responding to inquiries or providing any records. Note that, depending on the circumstances of the matter, employees may be advised to consider obtaining personal legal counsel (at their own expense).

## **XXII. Grant Dispute Procedures**

Although it is extremely rare, it is possible that a decision rendered by a funding source concerning an application for a grant or an awarded grant, and with which the College substantially disagrees, is considered so serious and adverse to the College's interest that it should not stand. In these cases, every effort should be made to equitably resolve this matter with the funding source by discussion and negotiation.

Although these issues may ultimately be brought to a court for resolution, most funding sources will include provisions in their grant award/agreement or regulations that allow for formal administrative appeals of its decisions. This may involve a review by a higher official of the funding source, or referral to an established agency appeal board. Normally, where such administrative appeal procedures are established, they must be followed before a court will accept jurisdiction. In the case of some grants, an arbitration process may be prescribed or available as an option.

Notwithstanding the nature of the appeal procedure, including proceeding directly to a court, one factor that is critical is timeliness. Appeal procedures will normally require that an appeal be filed with the designated official or board within a defined period (usually 10 days) from the date the grantee knew or should have known (a reasonable person would have known had they been paying due attention). Be sure to establish whether the time limit is calendar or working days, (and whose if the latter). If the appeal is not filed within that time limit, it will likely be dismissed without regard to its merits; and the decision then becomes final for the funding source.

Should a Project Director believe a decision by a funding source should be appealed, and given the caveat concerning timeliness, he or she should immediately contact their supervisor and the Grants Management Office. A detailed description of the issue and why it is believed to be in error should be provided. If the higher-level supervisor agrees, the matter should be immediately referred to executive management for review, possible legal consultation, and a decision whether to proceed with a formal appeal.

### **XXIII. Grants Management Staffing**

| <b><u>Name</u></b> | <b><u>Title</u></b>      | <b><u>Telephone</u></b> | <b><u>E-Mail</u></b>                                     |
|--------------------|--------------------------|-------------------------|--|
| Bob Elliott        | Director                 | 831-6760                | <a href="mailto:relliot3@epcc.edu">relliot3@epcc.edu</a> |
| Elvira Fernandez   | Administrative Associate | 831-6765                | <a href="mailto:eferna31@epcc.edu">eferna31@epcc.edu</a> |
| James Valdez       | Grants Manager           | 831-6762                | <a href="mailto:jvald172@epcc.edu">jvald172@epcc.edu</a> |
| Mayela Farah       | Grants Specialist        | 831-6767                | <a href="mailto:mfarah1@epcc.edu">mfarah1@epcc.edu</a>   |
| Arlene Alarcon     | Grants Manager           | 831-6763                | <a href="mailto:aalarcon@epcc.edu">aalarcon@epcc.edu</a> |
| Jessie Arellano    | Grants Specialist        | 831-6768                | <a href="mailto:jarell11@epcc.edu">jarell11@epcc.edu</a> |
| Isela Robison      | Grants Manager           | 831-6764                | <a href="mailto:iestra54@epcc.edu">iestra54@epcc.edu</a> |
| Julianne Flores    | Grants Specialist        | 831-6769                | <a href="mailto:jflor566@epcc.edu">jflor566@epcc.edu</a> |
| Vacant             | Grants Manager           | 831-6761                | <a href="mailto:??????@epcc.edu">??????@epcc.edu</a>     |
| Maribel Gomez      | Grants Specialist        | 831-6766                | <a href="mailto:mgome282@epcc.edu">mgome282@epcc.edu</a> |

The Grants Management Office maintains a website on the College server which provides a variety of grant-related information and forms, active grant alerts, and grantsmanship tools. The site can be accessed at <https://www.epcc.edu/administration/Grants>.