Grants Handbook

Office of Grants and Strategic Initiatives

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Contents

Code of Federal Regulations: Uniform Administrative Requirements

The Central Carolina Community College (CCCC) Grants Manual includes procedures to be followed in the management of grants.

Federal grants are administered by the CCCC Office of Grants and Strategic Initiatives in strict adherence to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found in Title 2 of the Code of Federal Regulations, adopted on December 19, 2014. Information on these regulations can be found at the following links:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2tab_02.tpl

http://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28697.pdf

https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards

These requirements supersede OMB Circular A-110.

Introduction

All grant-seeking activity should further mission and vision of Central Carolina Community College, the specific department's mission, and the goals outlined in the department's most recent Annual Program Planning and Review document.

Mission
Central Carolina Community College serves as a catalyst for individual, community, and economic development by empowerment through accessible lifelong learning.

Mission of the Office of Grants and Strategic Initiatives

The mission of the Office of Grants and Strategic Initiatives (OGSI) is to provide the necessary pre- and post-award support and guidance to acquire significant outside funding supporting the mission and goals of Central Carolina Community College.

The OGSI works closely with the CCCC Foundation to acquire funds available only to 501(c)(3) non-profit organizations.

Mission of the CCCC Foundation

Chartered in 1988 as a non-profit, 501(c)(3), the Central Carolina Community College Foundation was established to support the strategic plans of the College by providing the additional resources necessary to advance its academic mission. The Foundation enhances the College's image within the community, broadens its base of support, and provides it with a measure of excellence through the Foundation's support of the varied educational and student service program offerings.

CCCC Conflict of Interest Disclosure Policy

North Carolina law prohibits trustees and employees of the state institutions from letting contracts for services/materials/supplies or the like to themselves or to forms/corporations for which they may receive financial benefit. Violation of this law (G.S. 14-234) constitutes a misdemeanor and will result in removal of the person from the position. Individuals who have questions regarding their status are encouraged to contact the Vice-President for Administrative Services.

Grant Support Overview

These missions are accomplished by connecting the College's needs with the funding priorities of grant-making organizations including government agencies, foundations, corporations, or individuals. The OGSI fulfills its mission by providing:

Pre-award support, including:
- **Grant Research**: Identifying potential external funding sources;
- **Outreach and Awareness**: Educating the CCCC community about current grant opportunities, and identifying specific program and campus needs;

- **Identifying Opportunities**: Working with campus constituencies and external funding agencies to target opportunities meeting institutional goals and priorities;
- **Submission Coordination**: Guiding project leads to successfully prepare and submit proposals on behalf of CCCC;
- **Writing Assistance**: Providing writing and editing support for grant proposals. Visit www.cccc.edu/grants for Boilerplate Information;
- **Training**: Coordinating continuous opportunities for professional development sessions related to external funding sources and grant writing.

Post-award support, including:
- **Project Management**: Providing guidance and support for on-going project management including sub-recipient monitoring, account management, and closeout;
- **Reporting**: Providing support and guidance as necessary to ensure all funding organization reporting requirements are met;
- **Evaluation**: Offering guidance and support to evaluate the success of existing grants and recommendations for continued support.

Responsibilities of Grants Management Personnel

The successful administration of grants requires a coordinated effort between personnel in numerous areas of the College.

Director of Grants and Strategic Initiatives

- Monitors the activities of all funded grants
- Maintains a complete programmatic file on each grant that coordinates with fiscal records of each grant maintained by the College's Administrative Services Office
- Manages the specific compliance issues related to projects and activities funded through grants, including liaison with Grants Accountant/Controller, Project Directors and subcontractors
- Prepares correspondence as necessary to solicit and secure changes in grant terms and conditions
- Coordinates with Directors on preparation of programmatic reports as necessary
- Engages in year-to-year planning of continuing projects in coordination with appropriate College personnel

Grants Performance & Strategic Initiatives Coordinator

- Provides grant application support including research, writing, and coordination of submission requirements as requested by the Director of Grants and Strategic Initiatives.
- Provides on-going grant support including creating and submitting interim reports and reimbursement requests, updating project budgets, communicating with project team members regarding grant management procedures and issues.
- Researches, identifies, and tracks grant opportunities.

Grants Accountant/Controller

Under the Director of Administrative Services, the Grant Accountant/Controller is responsible for the following financial aspects of grant programs:

- Schedules Datatel Training for Project Directors
- Maintains the fiscal integrity of all grant expenditure reports
- Provides Project Directors with expenditure reports
- Oversees all grant audits
- Engages in fiscal projections for continuing projects in coordination with appropriate College personnel
- Advises Directors on start-up of grant-funded programs including development of financial and operational policies and procedures to ensure grant compliance

Project Lead

- Maintains a copy of the proposal and the approved budget
- Maintains copies of all budget amendments
- Corresponds with OGSI
- Maintains project paperwork:
    - Personnel contracts and time sheet copies
    - Consultant and sub-contract contracts, invoices, and reports
    - Report forms and report copies
    - Grant activity files related to client records, publicity, evaluation, etc.
    - Copies of all requisitions and purchase orders

Purchasing

- Ensures grant purchases are made according to standard college, local, state and federal purchasing guidelines.
- Communicates questions/concerns regarding grant purchases to Project Lead and Grants staff as appropriate.

Contracts

- Ensures grant-related contracts are in accordance with college, local, state and federal guidelines.
- Communicates questions/concerns regarding grant-related contracts to Project Lead and Grants staff as appropriate.

Pre-Award Support

Grant Submission Procedure

The CCCC Office of Grants and Strategic Initiatives (OGSI) follows a standard process to help faculty and staff prepare for grant submission:

	Task	Owner
1.	Submit project idea to OGSI via the [Program Needs Survey](#) web form, phone (919-718-7422) or email (grants@cccc.edu).	Project Lead
2.	Review submitted project information and contact Project Lead for follow-up conversation.	OGSI
3.	If project is feasible, schedule and conduct [Strategy Meeting](#). At the meeting, complete the **Intent to Submit Grant form** and **Strategy Meeting Checklist**.	OGSI/Project Lead
4.	Create a project folder in the ACTIVE PROPOSALS folder on the server (\\adfile\Shared Folders\Grants\).	OGSI
5.	Submit **Intention to Submit Grant form** to Chief Academic Officer, Chief Financial Officer and President for review, comment and approval.	OGSI
6.	Review the project for feasibility of the grant functioning within CCCC learning environment and provide guidance and approval.	Chief Academic Officer
7.	Review the project for feasibility of the grant functioning within CCCC financial structure and provide guidance and approval.	Chief Financial Officer
8.	Review the project for grant functioning within the overall mission of the College and provide guidance and approval	President
9.	Write grant application. Applications are written in a collaborative environment with the OGSI providing research, writing, and project management support as needed to ensure all application requirements are met prior to the submission deadline.	OGSI/Project Lead
10.	Add grant application to the **Pending Projects** tab of the **Office of Grants and Strategic Initiatives - Proposal Tracking** sheet on Google Drive.	OGSI
11.	Coordinate grant final application submission per grant instructions.	OGSI

Strategy Meeting

The purpose of the Strategy Meeting is to review a project idea, determine its feasibility, and create a plan for potential grant application submission.

Agenda

The agenda for the Strategy Meeting should include:

- **Determining feasibility** of the project based on its ties to the College and Program missions and long-range plans, as well as likelihood of funding.
- **Identifying funding** source(s).
- **Determining if the grant will run through the College or the Foundation**. Grants run through the CCCC Foundation when (1) The granting organization requires funding go to a 501(c)(3) or (2) The funding is for direct scholarships. All other occasions, grants will run through the College.
- **Creating a project plan** for the grant application, including key steps, deadlines and task owners.
- **Answering the following questions**:
    - Are matching funds required? If so how will they be provided?
    - Is faculty release time required? If so, how will it be addressed? (Adjunct? Grant Funded?)
    - Are additional personnel needed? If so, how will these costs be covered?
    - Is space needed? If so, how will it be addressed?
    - Is equipment required? Are space modifications required? How will the equipment be maintained after the grant period of performance?
    - What kind of participant support is allowable?

Attendees

Attendees should include:

- Project Lead
- Director of Grants
- Coordinator of Grants Performance
- Controller/Grants Accountant
- Foundation Executive Director (if grant is through the Foundation)

Matching Funds

If required by the grant, matching or cost sharing funding discussions should happen during the Strategy Meeting. Input from the respective College Vice President, and the Vice President of Administrative Services should be sought throughout this process. When identifying cost sharing/matching opportunities, consider:

- The time of CCCC employees assigned to work on the project for which no grant resources are derived.
- CCCC costs for equipment or supplies from allowable sources that directly impact the project's activities.

- The value of donated equipment to CCCC received during the period of the grant that is used for grant-specific activities.
- The fair value of consultative expertise donated to the projects by industry or academic experts.
- CCCC costs for research or educational materials acquired by the College during the grant period which specifically further the objectives of the grant project.
- The travel of project staff – and CCCC associate staff both nationally and locally – to further grant-related objectives when such costs are not borne from grant funds.

Equipment Donations as Match
Per section 1.12 of the CCCC Policy Manual, the CCCC Foundation serves as the conduit for receipt of all in-kind equipment donations received by CCCC, including those items of equipment received as match for a grant project.

Equipment Match from CCCC Sources
When a grant budget specifies an equipment match from CCCC sources (college purchases), the Vice President of Administrative Services must indicate, prior to the submission of the grant proposal, approval for allocation of existing departmental budget sources to the match. In the event of proposed institutional equipment matches in excess of the associated Vice President's annual budget, discussion with the CCCC President will occur to establish an administrative priority for a matching budget set-aside in agreement with the Vice President of Administrative Services, and the associated Vice President prior to proposal submission. The Vice President of Administrative Services accepts responsibility for managing such specially assigned matching funds as required to meet the match requirement for equipment acquisition.

Post-Award Policies and Procedures

	Task	Owner
1.	Notification of grant award.	Funding Agency
2.	Notify Project Lead, Dean/VP, Business Office, and President of award decision. (If the award letter is received by the Project Lead, it is his/her responsibility to copy the OGSI on all necessary communications between the College and the funding agency for documentation purposes.)	OGSI/Project Lead
3.	Set up necessary accounts and procedures to support the grant.	Business Office
4.	Move grant application to the **Current Portfolio** tab on the **Office of Grants and Strategic Initiatives - Proposal Tracking** sheet on Google Drive.	OGSI
5.	Move project folders on the server ((\\adfile\Shared Folders\Grants\). a. If no award is given, move project folder from the **ACTIVE PROPOSALS** folder to the **Denied or Incomplete Proposals** Folder. b. If award is made, move project folder from the **ACTIVE PROPOSALS** to the **ACTIVE FUNDED PROJECTS** folder.	OGSI
6.	Schedule and conduct [Grant Kickoff Meeting]().	OGSI/Project Lead
7.	Provide ongoing grant management support as needed, including: • Conducting quarterly progress meetings • Assisting with report submission, budgets, data collection, etc.	OGSI
8.	At conclusion of project, coordinate submission of final report and ensure all final grant requirements are met.	OGSI/Project Lead
9.	Move project folder from the **ACTIVE PROPOSALS** folder to the **Completed Projects** folder on the server(\\adfile\Shared Folders\Grants\)	OGSI
10.	Move grant application to the **Closed Grant Projects** tab on the **Office of Grants and Strategic Initiatives - Proposal Tracking** sheet on Google Drive.	OGSI

Grant Kickoff Meeting

The Project Lead and Grants Director schedule a start-up meeting once the grant has been awarded.

Attendees

Attendees should include:
- Project Lead
- Director of Grants
- Coordinator of Grants Performance
- Controller/Grants Accountant
- Purchasing representative
- Foundation Executive Director (if grant is through the Foundation)

Agenda

The agenda for the kickoff meeting should include:
- Defining the project schedule including reporting deadlines, quarterly progress meetings, and period of performance
- Reviewing the project budget, allowable expenses, and procedure for budget changes requests.
- Defining the project procedures for:
  - Reporting
  - Data gathering
  - Purchasing
  - Travel
  - Participant Support
  - Reviewing expenditures
  - Sub recipient activities including reimbursement and reporting
  - Grant publicity
  - Other requirements from the funding organization
- Assigning project tasking
- Determining required paperwork for each new employee

Expenditure Reports

The Controller provides Expenditure Reports the OGSI and Project Leads. Project Leads are responsible for reviewing these reports to confirm they accurately reflect line item expenditures. The Grants Accountant/Controller will make any necessary changes based on Project Lead feedback. Project Leads should use budget reports to monitor spending categories and overall budget expenditures. The Grants Director will facilitate periodic meetings between the Project Lead and Grants Accountant/Controller for the purpose of reconciling budget discrepancies and making recommendations for budget line item changes.

Budget Revisions

The Project Lead is responsible for communicating all budget change requests to the OGSI and Grants Accountant/Controller. Most granting agencies have strict requirements and specific forms that must be completed. Budget revision requests will be communicated to the funding agency for approval.

Grant Award Publicity

Many granting agencies have strict policies regarding publicity and credit that is provided to the agency on material or publicity efforts. Grant specific publicity guidance will be provided at the [Kickoff Meeting](#)

Travel Costs

If allowable by the grant, employees may be granted permission to travel for college-related purposes and be reimbursed for incurred expenses, subject to State of North Carolina regulations and limitations. Travel must meet grant guidelines as well as local, state and, when applicable, federal guidelines. Grant specific travel guidance will be provided at the [Kickoff Meeting](#). For rules on in-state/out-of-state travel authorization, local travel reimbursement, and reimbursement of travel and other expenses, consult the [North Carolina Community College Accounting Procedures Manual.](#)

Accounting for Match and Cost Share

The Project Lead, the Business Office, the CCCC Grants Director and the Grants Accountant/Controller will all have copies of agreed upon matching/cost share budgets.

Sub-recipient Monitoring

The Project Lead is responsible for monitoring sub-recipient expenditures by reviewing submitted sub-recipients invoices. The Project Lead must address and rectify any discrepancies between the invoices and the project budget, in cooperation with the Grants Director, the Business Office, and sub-recipient leads.

Additionally, the Project Lead will monitor sub-recipients during formal and informal visits to the sub-recipient agency throughout the course of the grant period of performance.

Reporting of Matching Funds to Agencies

The Project Lead will compile reports specifying the sources and value of match funds after meeting with the Grants Accountant/Controller and the Grants Director and reviewing accounting records. Accounting of matching resources will occur through the monthly meeting schedule and/or through specifically organized meetings to assess matching costs.

The Project Lead may not disclose any grant-related fiscal information (including matching sources) without prior coordination with the Grants Accountant/Controller and/or Grants Director. An authorized institutional representative must certify all annual progress reports and final project reports.

Employee Time Reporting

Any CCCC employee whose salary is paid by a grant or included as a match/release on a grant must provide the Project Lead with Time and Effort Reports on a monthly basis, or as dictated by the grant. These reports document the employee's time was spent in accordance with the agreed upon match/release percentage. The following chart outlines the appropriate time and effort reporting method:

Employee Funding	Time and Effort Reporting Method
Salaried employees who are spending 100% of their time and effort on a single grant.	Complete **Personnel Time & Effort Report** bi-annually
Salaried employees who work less than 100% on a grant.	Complete **Monthly Grant/Project Time Report**
Hourly employees who work fully or partially on a grant	Standard timesheets used for payroll are acceptable for Time and Effort Reporting. Time spent working on different grants must be documented on separate time sheets.

Participant Support

The following participant support policy was developed using the National Science Foundation's guidelines. Participant support costs provided by sponsors other than NSF will follow the same requirements as specified in this policy, unless an award specifies otherwise.

Participants are individuals (usually students) who receive or benefit from a service, training or experience in connection with grant-related meetings, conferences, symposia, or training projects. Participants may include students, national scholars and scientists, private sector representatives, agency personnel, teachers and others who attend and participate in a grant-related activities. Participants are not required to deliver any deliverable or service to CCCC in return for participant support costs. Participants are not CCCC employees.

Participant support costs are defined as costs paid to or on behalf of participants or trainees (but not employees) in connection with formal meetings, conferences, symposia, or training projects. These costs include stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees; however, other funding organizations may define them

differently. The funding organization should provide specific restrictions governing the expenditure of these funds.

Accounting for Participant Support

Participant support costs typically must be accounted for separately from other grant expenditures to ensure funds are expended for appropriate and intended objectives.

A detailed justification for participant support should describe the purpose for the costs and the way in which they will directly benefit the proposed project's scope of work.

When appropriate, the Controller will create separate general ledger codes in the College's financial system, to more easily identify and isolate participant costs and restrict budget changes.

The Project Lead/Principal Investigator is responsible for reviewing project budget reports, transactions, and source documents to ensure that the participant support funds are being expended according to federal regulations and the terms of the agreement. The Office of Grants and Strategic Initiatives will provide a second level of oversight concerning the participant support expenditures.

Costs that cannot be specifically identified to a participant are not allowed as a participant support cost. Funds provided for participant support may not be used by grantees for other categories of expense without

Participant support costs are restricted and cannot be re-budgeted into other categories without the specific prior written approval of the grant's Program Officer. Any unexpended participant support costs must be returned to the agency. Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. A non-NSF Federal employee may receive participating support allowances from project funds provided there is no duplication of funding items, and provided no single item of participant support cost is divided between his/her parent agency and NSF grant funds. Local participants may participate in conference meals and coffee breaks, however, project funds may not be used to pay per diem or similar expenses for these participants.

Basic Cost Principles

Overview

The Project Director and designated staff must follow the applicable costing principles, guidelines, and procedures when incurring expenditures, including:

1. Federal Cost Accounting Standards (2 CFR Part 220);
2. State of North Carolina Procurement Policies and Procedures, if applicable
3. Specific sponsor guidelines and regulations, including requirements for prior sponsor approval of certain direct cost items

4. Specific award terms and conditions (i.e. award agreement and applicable CFDA)
5. Specific awarded budget

All Central Carolina Community College grants projects, federally funded and otherwise, follow federal standards for ensuring that costs charged to grant accounts are allowable, allocable, and reasonable.

The tests of allowability of costs are:

(1) they must be reasonable;

A cost is reasonable if the nature of the goods and services, and the cost associated with those services, are both that would reflect the action of a prudent person when making the decision to incur that cost. The cost must be necessary for the operation of the institution or the performance of the grant and the incurrence of the cost must be consistent with established institutional policies and practices applicable to the work of the institution generally, including grant projects.

(2) they must be allocable to grants;

A cost is allocable if: (1) it is incurred solely to advance the work under the sponsored agreement; (2) it advances the grant and other work of the institution, in proportions that can be approximated through use of reasonable methods, or (3) it is necessary to the overall operation of the institution and is deemed to be assignable in part to sponsored projects

(3) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and they must conform to any limitations or exclusions set forth in the in the grant agreement as to types or amounts of cost items.

Specific principles, as well as the corresponding federal guidance are provided in the sections that follow.

Allowability of Costs
Ref: 2 CFR Part 200, § 200.403
For all grant purchases, there is a three-step approval process for allowability of costs. The Project Director, the supervisor of the Project Director, and a representative from the Office of Grants and Strategic Initiatives, approve the allowability of a cost. All three signatures will be present on the documentation initiating the expense.

The Project Director and designated staff must follow the applicable costing principles, guidelines, and procedures when incurring expenditures. To be allowable, costs must be:

1. Necessary and reasonable
2. Conform with federal law and grant terms
3. Consistent with state and local policies
4. Consistently treated
5. In accordance with Generally Accepted Accounting Principles (GAAP)
6. Not included as a match
7. Adequately documented

Necessary and Reasonable Costs
Ref 2 CFR Part 200, § 200.404

Consideration must be given to:
- Whether cost is a type generally recognized as ordinary and necessary for the operation of the college or the proper and efficient performance of the Federal award
- The restraints or requirements imposed by such factors as Federal, state, local, tribal and other laws and regulations and terms and conditions
- Market prices for comparable goods and services in the geographic area
- Whether the individuals acted with prudence under the circumstances considering their responsibility
- No significant deviation from established prices

Practical questions
- Do I really need this?
- Is the expense targeted to a valid programmatic/administrative need?
- Is this the minimum amount I need to spend to meet my need?
- Do I have the capacity to use what I am purchasing?
- Did I pay a fair rate?
- If I were asked to defend this purchase, would I be able to?

General Categories of Allowable/Non-Allowable Costs
Any questions about potential conflicts should be addressed to the Project Lead for the grant and/or the Director of Grants and Strategic Initiatives

Non-Allowable Expenditures
Certain expenses are clearly designated as unallowable for both the Federal Government and the State of North Carolina. In addition, certain types of expenses may be allowable for federal purposes, but the Grant or sponsor has specifically determined the expense to be unallowable. These must not be charged as direct costs to the federal grant or contract. They may be charged elsewhere if appropriate and necessary for the County's operations.

Grant funds typically cannot be used to purchase the following. Contact your Project Lead for additional clarification.

- Advertising
- Alcohol
- Audits except single audit
- Awards and memorabilia
- Contingencies
- Contributions and donations
- Entertainment (except where there is a programmatic purpose and there is prior written approval from the funding agency.)
- Expenses that supplant
- Facilities
- Fines and penalties
- Firearms
- First class air travel
- Food or beverages
- Fundraising
- Furniture
- Giveaways
- Goods and services for personal use of employees
- General administration apart from program administration
- Individual memberships (for professional, civic, social or other organizations)
- Memberships or anything related to lobbying
- Student expenses or direct assistance to students

Direct Costs
Ref 2 CFR Part 200, § 200.404

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Direct costs generally include:

- Salaries and wages (including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract – i.e, direct labor costs).
- Other employee fringe benefits allocable on direct labor employees.
- Consultant services contracted to accomplish specific grant/contract objectives.
- Travel of employees.
- Materials, supplies, and equipment purchased directly for use on a specific grant or contract.

Indirect Costs

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity
- Individuals involved can be specifically identified with the project or activity
- Such costs are explicitly included in the budget or have the prior written approval of your Program Coordinator
- The costs are not also recovered as indirect costs

Specific Cost Guidance by Category

The Code of Federal Regulations (CFR) contains specific cost guidance by category in **Ref: 2 CFR Part 200, §200.420 – §200.475**. These principles apply whether a cost is treated as direct or indirect. Failure to mention a particular item of cost in these sections of the CFR is not intended to imply that it is either allowable or non-unallowable; rather, determination of allowability in each case will be based on the treatment or standards provided for similar or related items of cost.

Ref: 2 CFR Part 200, §200.420, "In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in §200.403 Factors Affecting Allowability of Costs must be applied in determining allowability."

Cost Allocation

Ref 2 CFR Part 200, § 200.405

A cost is allocable to a Federal award or cost objective if the goods or services involved are chargeable or assignable in accordance with relative benefits received. Only the proportion of the cost comparable to the value received by the program can be charged to the grant.

CCCC's Cost Allocation Plan is based on a Direct Allocation Method, which treats all costs as direct costs except general administration and general expenses. Only costs that are allowable, as described in this document, will be allocated to benefiting programs by CCCC. General guidelines of this method include:

1. All allowable direct costs are charged directly to programs, grants, activity, etc.
2. Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the particular cost being prorated.

3. All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc. using a base that results in an equitable distribution.

Salaries and Fringe

Salaries are documented with timesheets or time and effort reports showing time distribution for all employees and allocated based on time spent on each program or grant. Salaries and wages are charged directly to the program for which work has been done. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see example 2).

1. Fringe benefits (FICA, UC, and Worker's Compensation) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability and other fringe benefits are also allocated in the same manner as salaries and wages.

2. Vacation, holiday, and sick pay are allocated in the same manner as salaries and wages.

Travel Costs

Costs allocated based on purpose of travel. All travel costs (local and out-of-town) are charged directly to the program for which the travel was incurred. Travel costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Travel costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

Professional Services Costs (such as consultants, accounting and auditing services)

Costs allocated to the program benefiting from the service. All professional service costs are charged directly to the program for which the service was incurred. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see Example 4).

Office Expense and Supplies (including office supplies and postage)

Costs allocated based on usage. Expenses used for a specific program will be charged directly to that program. Postage expenses are charged directly to programs to the extent possible. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see Example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see Example 4).

Equipment

CCCC depreciates equipment when the initial acquisition cost exceeds $5,000. Items below $5,000 are reflected in the supplies category and expensed in the current year. Unless allowed by the awarding agency, equipment purchases are recovered through depreciation. Depreciation costs for allowable equipment used solely by one program are charged directly to the program using the equipment. If more than one program uses the equipment, then an allocation of the depreciation costs will be based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

Printing (including supplies, maintenance and repair)

Expenses are charged directly to programs that benefit from the service. Expenses that benefit more than one program are allocated based the ratio of the costs to total expenses. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

Telephone/Communications

Long distance and local calls are charged to programs if readily identifiable. Other telephone or communications expenses that benefit more than one program will be allocated to those programs based on the ratio of each program's expenses to the total of such expenses (see example 3). Costs that benefit all programs will be allocated based on the ratio of each program's expenses to total expenses (see example 4).

Facilities Expenses

Costs allocated based upon usable square footage. The ratio of total square footage used by all personnel to total square footage is calculated. Facilities costs related to general and administrative activities are allocated to program based on the ratio of program square footage to total square footage (see example 5).

Training/Conferences/Seminars

Costs allocated to the program benefiting from the training, conferences or seminars. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries (see Example 1). Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries (see Example 2).

Other Costs (including dues, licenses, fees, etc.)

Other joint costs will be allocated on a basis determined to be appropriate to the particular costs. (Grantee should describe methodology for applicable costs).

Unallowable Costs

Costs that are unallowable in accordance with OMB Circular A-122, including alcoholic beverages, bad debts, advertising (other than help-wanted ads), contributions, entertainment, fines and penalties. Lobbying and fundraising costs are unallowable, however, are treated as direct costs and allocated their share of general and administrative expenses.

Examples of Allocation Methodology

Example 1
Expense Amount = $5,000

Costs that benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's personnel costs (salaries & applicable benefits) to the total of such personnel costs, as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$20,000	20%	$1,000
C	$30,000	30%	$1,500
E	$50,000	50%	$2,500
Total	$100,000	100%	$5,000

Example 2
Expense Amount = $10,000

Costs that benefit **all** programs are allocated based on a ratio of each program's personnel costs (salaries & applicable benefits) to total personnel costs as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$20,000	13%	$1,300
B	$10,000	7%	$700
C	$30,000	20%	$2,000
D	$40.000	27%	$2,700
E	$50,000	33%	$3,300
Total	$150,000	100%	$10,000

Example 3
Expense Amount = $4,000

Costs that benefit two or more specific programs, but not all programs, are allocated to those programs based on the ratio of each program's expenses (direct costs other than salaries & benefits) to the total of such expenses, as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$120,000	30%	$1,200
C	$130,000	33%	$1,320
E	$150,000	37%	$1,480
Total	$400,000	100%	$4,000

Example 4
Expense Amount = $8,000

Costs that benefit all programs will be allocated based on a ratio of each program's salaries to total salaries as follows:

Grant	Personnel Costs	%	Amount Allocated
A	$120,000	18%	$1,440
B	$110,000	17%	$1,360
C	$130,000	20%	$1,600
D	$140.000	22%	$1,760
E	$150,000	23%	$1,840
Total	$650,000	100%	$8,000

Example 5
Facilities Expense Amount = $10,000

Facilities costs are allocated based on square footage. Square footage for each program and general and administrative activity is considered in the analysis. General and administrative facilities costs are further allocated to each program based on the square footage of each grant program to the total square footage of all grant programs. The calculation is as follows:

Grant	Square Footage	%	Amount Allocated	G&A Allocated	Total Amount Allocated
A	300	30%	$3,000	340	$3,340
B	100	10%	$1,000	110	$1,110
C	200	20%	$2,000	220	$2,220
D	200	20%	$2,000	220	$2,220
E	100	10%	$1,000	110	$1,110
G&A	100	10%	$1,000	0	0
Total	1,000	100%	$10,000	$1,000	$10,000

Administrative Services Procedures

The Grant Accountant/Controller and Grants Director are responsible to monitor all cash balances on a monthly basis. If required the Grant Accountant/Controller will bill the appropriate agency as the Business Office will be responsible for any drawdowns as specified by the sponsoring agency.

Assignment of Department Code

Once a grant has been awarded, the Grants Director will notify the Grants Accountant/Controller of the award. The Grants Accountant/Controller will assign a general ledger code for the new grant. The general ledger code will be used as a unique ID on all financial documentation, i.e. (purchase requisitions, payroll, travel requests, etc.) The cost center number will be used throughout the life of the grant.

Contracts

Contracts must be submitted to the Business Office for all non-college employees receiving compensation from grant funds. All grant contractual agreements shall follow the same standards as other college transitions. Refer to the Business Office's policies and procedures for additional information.

Purchasing Guidelines

The College's purchasing department will processes all purchase requests and orders. See the Purchasing Department's policies for additional information. The following is an overview of the steps required when purchasing supplies, equipment or services under a grant.

	Task	Owner
1.	Review purchase for allowability according to the Basic Cost Principles.	Project Lead
2.	Complete Purchase Requisition prior to purchasing any supplies, furniture, equipment, or services.	Project Lead
3.	Submit Purchase Requisition to OGSI for review.	Project Lead
4.	Review for compliance with grant requirements including federal allowability guidelines.	Project Lead/Federal Compliance Task Force
5.	Submit Purchase Requisition to Supervisor/Dean/VP for review.	Project Lead
6.	Review Purchase Requisition for allowability, approval and signature.	Supervisor/Dean/VP
7.	Forward Purchase Requisition to Purchasing Department.	Supervisor/Dean/VP

8.	Create Purchase Order according to state and federal purchasing guidelines, and send to vendor (to order product or service).	Purchasing Department
9.	Send copy of the Purchase Order to the Project Lead and OGSI	Purchasing Department
10.	Update OGSI on status of order, delivery, inspection and other details related to the order.	Purchasing Department

Payment of a Purchase Order

Once the Receiving department has received an order, it is delivered to the originator of the purchase. It is the responsibility of the department to sign the packing slip stating they have received the goods they ordered. If the order is not correct/damaged, it is the department's responsibility to contact the vendor to get the order corrected. Signing off on the packing slip signifies the purchase is in order and payment may be made.

If the department receives the merchandise directly, they should contact the Purchasing Department to inform them the order is complete.

Accounts Payable will not make payments without a signature on the packing slip.

Once the Accounts Payable department receives the packing slip and the vendor's invoice, they will forward both to Accounts Payable where disbursement of funds is made.

Purchases over $10,000

The State has a bid threshold of $10,000 for general commodities and $25,000 for technology items; that is, any order for goods over these thresholds requires the solicitation of written bids from three or more qualified vendors. A key exception is goods covered by state contracts can be ordered in any amount without going out to bid. The $10,000 bid threshold requires large purchases be planned carefully.

Bid specifications and a list of potential vendors must be submitted to the Purchasing Department. The Project Lead must allow at least three weeks for the Purchasing Department to mail out the invitations to bid, receive the bids, and return the results. A purchase order may then be written for the lowest qualified bid. It is not acceptable to avoid having to go out to bid by splitting one order greater than $10,000 into several orders smaller than $10,000. The Purchasing Department can assist you in preparing bid specifications and determining a list of vendors.

When preparing your grant proposal and budget, the best practice is to consult with the Grant Director or the Purchasing Office to make informed decisions about your budgeting.

Cost Transfers

CCCC has stewardship responsibility for all federal grant funding, and proper management of such funding is essential to meet this obligation. CCCC recognizes cost transfers may be necessary to correct bookkeeping or clerical errors and to allocate closely related work that may support more than one project.

Frequent, late, and inadequately explained transfers, raise serious questions about the propriety of the transfers and call internal fiduciary controls into question. This is especially the case with transfers that involve projects with cost overruns or unexpended balances. These activities may result in audit disallowances and monetary paybacks, including penalties and fines.

CCCC is committed to ensuring all cost transfers, including labor distribution adjustments and non-salary journal entries, are appropriate and conducted in accordance with this handbook, Federal regulations and CCCC policy.

Timeframes for Cost Transfers

Non-salary cost transfers must be prepared and submitted within **90 days** from the date the transaction is charged to the project. For cost transfers initiated within the 90-day period, a journal entry must be submitted with justification to include the following:

- A detailed explanation of the reason for the transfer; explanations such as "to correct an error" or "to transfer to correct project" are not adequate
- An explanation of the allocation of the cost if only a portion of the original cost is being transferred
- Why the charge(s) are allowable, allocable, consistent, and reasonable, based on the terms and conditions of the project being charged
- Adequate documentation related to the transfer and original expense must be attached to the journal and kept on file within the department until the applicable record retention requirement has been satisfied

Salary cost transfers related to the effort certification process must be prepared and submitted within **30 days** after the end of the effort certification period to reconcile the salary expenditures to the individual's certified effort. For cost transfers initiated outside of the 90-day period, additional justification must accompany transfer requests to include the following:

- Why the original expenditure did not charge appropriately
- How this expense benefits the project being charged
- Why the charge(s) are allowable, allocable, consistent, and reasonable, based on the terms and conditions of the project being charged
- Why this cost transfer is being requested more than 90 days after the original transaction date
- The steps that will be taken to prevent this type of error from happening in the future

Adequate documentation related to the transfer and original expense must be attached to the journal entry and kept on file within the department until the applicable record retention requirement has been satisfied.

CCCC policy does not supersede sponsors' policies that require a shorter period for cost transfers and or corrections to effort.

The Office of Grants and Strategic Initiatives (OGSI) expects all costs directly charged to Federally sponsored awards will comply with the cost principles outlined in Uniform Guidance 2 CFR Part §200, Subpart E.

Allowability for Cost Transfers

Cost transfers are allowable only where there is a direct benefit to the project being charged. Under no circumstances is it acceptable for a cost to be charged to a project that it does not benefit. This practice is inconsistent with applicable cost principles and will result in improper financial reporting and inappropriate reimbursement from the sponsor.

All Principal Investigators (PIs) and their Supervisors are responsible for ensuring cost transfers to correct errors on sponsored projects are made within the timeframes outlined in this operating standard.

Any cost transfers submitted after the applicable time frame identified in this operating standard will require review by the OGSI and the College Controller. Approval for such cost transfers will be granted only under extenuating circumstances. Additional documentation and justification must accompany a cost transfer request outside the applicable period.

Cost transfers to remove charges that do not meet the cost principles outlined in Uniform Guidance 2 CFR Part §200, Subpart E must be completed regardless of timeframe.

Cost transfers must be supported by documentation which contains a justification of why the error occurred, how the expense relates to the project being charged, and a plan to prevent similar errors in the future.

Cost transfers are not to be used as a means of award management.

Cost Transfer Examples

Allowable	Unallowable
• Transferring Preaward costs from a CCCC fund to the grant, if Preaward spending is allowable per the sponsor guidelines	• Transfers for purposes of fiscal expediency without regard to whether the cost is appropriate on the receiving project (g., reallocation of expenses from a

• Correcting clerical errors, transpositions, or mistyped entries • Reallocating costs originally charged to a central administrative location, or when multiple projects benefit • Reallocating salary expenses to match effort distributions	project in deficit to a project with unexpended funds to clear the account in deficit) • Transfer of post-term expenses to another project • Transfer of an expense that was previously transferred

Internal Controls

In 2008, the North Carolina Office of the State Controller began a phased-in implementation of a statewide internal control program called EAGLE (Enhancing Accountability in Government through Leadership and Education). The EAGLE Program resulted from the passage of House Bill 1551 (State Governmental Accountability and Internal Control Act) during the 2007 Session of the General Assembly. Information about the EAGLE Program can be found at www.osc.nc.gov/eagle.

The purpose of the EAGLE Program is not only to establish adequate internal control but also to increase fiscal accountability within state government. Under the EAGLE Program, each agency is required to perform an annual assessment of internal control over financial reporting and compliance. By performing this assessment, agencies can identify risks and compensating controls that reduce the possibility of material misstatements, misappropriation of assets and noncompliance with governmental rules and regulations.
The assessment will also assist agencies in recognizing opportunities to increase efficiency and effectiveness in business processes and operations.

A special provision included in Section 8.15 of House Bill 200 (Session Law 2011-145) impacted both the community colleges and the EAGLE Program. This provision amended Article 4A of Chapter 115D of the General Statutes by adding a new section:

>"§ 115D-58.16. Audits.
>
>(b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a community college shall not be subject to the EAGLE program administered by the Office of the State Controller unless (i) there is a finding of internal control problems in the most recent financial audit of the college or (ii) the State Board of Community Colleges determines that a college should be subject to the program."

While all community colleges may not be subject to the EAGLE Program, all community colleges must comply with the provisions of the Chapter 143D of the General Statutes (The State Governmental Accountability and Internal Control Act - http://www.ncleg.net/gascripts/statutes/statutelookup.pl?statute=143D). The

colleges not subject to the EAGLE Program must continue to meet the Chapter 143D compliance requirements which include performing an annual self-assessment evaluation of internal controls and the related certification of internal control effectiveness.

Each year, CCCC completes an annual self-assessment evaluation of internal controls. The Office of the State Controller notifies agencies each year regarding their status based on financial and compliance audit reports and EAGLE document submissions.

Points of Contact

Topic	Primary Contact	Secondary Contact
Program expenditures	Project Lead	OGSI
Program reporting	OGSI	Project Lead
Funding agency's rules/grant compliance	OGSI	Project Lead
Travel, purchasing, or personnel requisitions	Business Office	OGSI
Budget amendments	OGSI	Project Lead