



# Hooray!

---

My Project  
Is Funded  
*...now what?*

The  
Grants Management  
Handbook

Southwestern Community College

# Table of Contents:

Overview .....	3
Getting Started .....	4
Who Does What? Key People and Places .....	7
Records Management .....	9
Purchases .....	10
Budget Management .....	11
Public Relations: Keeping the College and the Funder Informed .....	12
Staying Out of Hot Water—Some Excellent Tips .....	13
“Grant Speak” and other Jargon .....	15

## Overview

Once you've received your grant, it is essential that you effectively manage it. In accepting the grant, you have agreed to accomplish designated tasks within a designated timeframe for a designated amount of money. This requires maintaining accurate and complete records, effectively managing the budget, and providing the required accountability information and reports.

The first months of a grant are critical. Most of the paperwork is completed in these weeks including setting up the budget, hiring personnel, and adjusting timelines and objectives. A grant that starts well will run well. Delays can cause problems throughout the entire grant period, resulting in needless complications and can have a negative impact on completion of grant objectives as well as on spending the money.

If the grant is brand new, this start up time will be longer and more complex. The lapse between the grant award and its actual beginning date can vary. While costs for activities and personnel cannot be charged to the grant before the authorized date, it is possible to advertise for interview, select, and orient key personnel as well as submit the operational budget so that when the grant period begins, the project is ready to start. Grants that are not new (but are continuing) present another set of details. In all cases, there will need to be a new operational budget.

This handbook is designed to cover crucial start-up information for new and continuing grants as well as to provide general guidelines for managing grant resources. This manual is not intended to be comprehensive nor to substitute existing policies and sources of information such as the Business Office and Office of Human Resources.

# Getting Started

It can be said that there are six essential documents key to beginning a grant project:

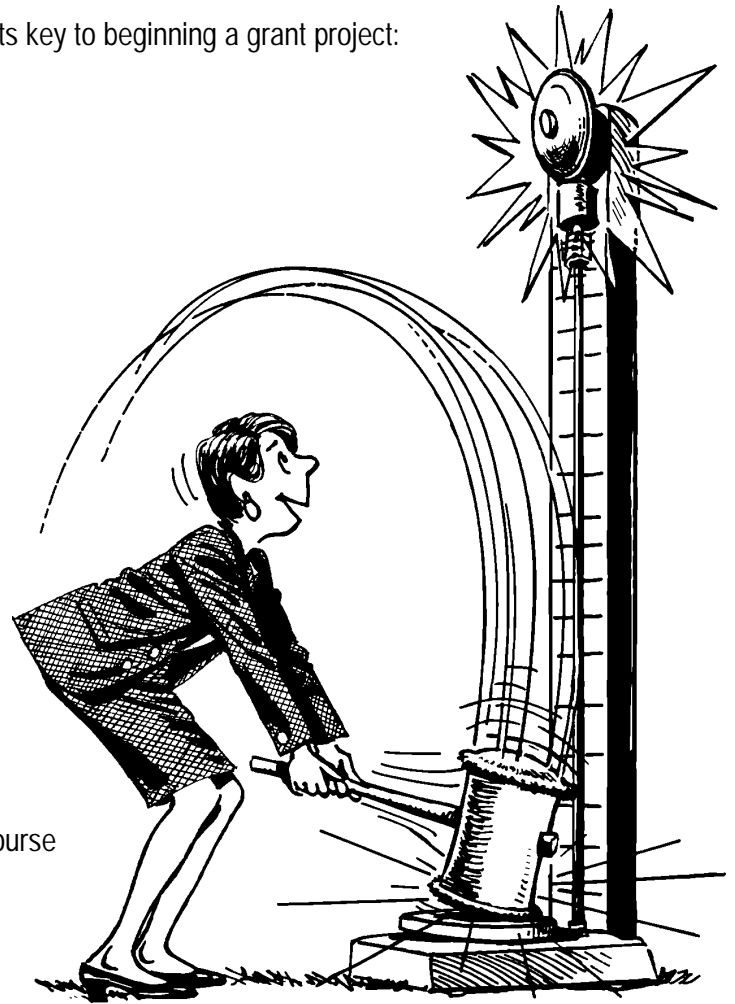
- ✓ The grant proposal to the funding agency
- ✓ The notification letter
- ✓ The negotiated budget
- ✓ The contract or letter of award
- ✓ The regulations for the grant
- ✓ The operational budget

## The Proposal.

Reviewing the proposal itself is the first step for anyone connected with the grant. The proposal is your blueprint for managing the grant. It will contain a statement of need, intended outcomes, objectives, timelines, the budget, as well as supporting documentation. Proposals are often written six to nine months in advance of the award. Circumstances change and people change. In addition, the proposal may be the work of one or two people, a committee, or a combination of several proposals from several partners in one document. Spend some time studying the proposal. It will serve you well over the course of the grant period.

Some questions to ask, might be:

- What are the starting and ending dates of the grant period? Do these dates still coincide with the timeline in the proposal?
- Where does the project fit overall in the College? Is it a separate entity or part of an existing organizational unit? Is more than one College or partner involved and if so, how? Who are the contact people?
- What results were promised to the funding agency?
- What populations are to be served and how will those eligible participants be selected?
- What personnel are authorized? What are their responsibilities according to the proposal?
- What timelines exist for activities? What has to happen when?
- What arrangements have been negotiated with outside agencies? What do these agreements really mean? Do they need further clarification?



## The Notification Letter.

This is typically the first formal written notification the College will receive regarding the status of its application for grant funds. Sometimes it is the only legal document to be sent by the funding agency regarding the grant project. More than likely, however, a contract agreement or letter of award will follow this informal notification.

## **The Negotiated Budget.**

Frequently, the amount requested in the proposal is reduced to an awarded amount (sometimes it is increased). The term “negotiated” is used. Normally, the funding agency calls the College with the bottom line amount and sometimes with specifically what is to be cut from the proposed budget.

Losing dollars means losing personnel, other requested resources, and sometimes calls for a scaling back on the objectives of the project. When the negotiated budget is returned to the funding agency for approval, it may or may not be accompanied by revised objectives and/or timelines. Remember, this is the only budget that is valid for the grant.

If there is a column on the negotiated budget for SCC or local match, it means that the College has agreed to contribute funds toward the project in specified amounts. This process known as “matching,” can get wonderfully complicated and will need immediate attention when the operational budget is prepared.

Some common questions are:

- Have timelines and objectives been modified?
- What personnel costs have been eliminated and what impact will those changes have?
- What amounts are required for matching? From what College accounts and divisions will the matching amounts be transferred?

## **The Contract or Letter of Award.**

Received after the budget has been negotiated, the contract or letter of award assures the College that the grant has been funded. The document will usually contain the grant number, the duration of the grant period, a contact person, and the awarded amount. Nothing—no promises, no people, no anything can be spent or contracted for until this document is in hand.

## **The Regulations for the Grant.**

Grants from Federal and State sources operate under regulations published in the Federal Register, North Carolina statutes, and reproduced in the application package for each grant. In the case of Federal grants, the Office of Management (OMB) publishes guidelines outlining the management of funds and grant activities, and the Federal agency from which the grant comes will also have a similar publication (example: U.S. Department of Education publishes EDGAR). Funds from private sources will be accompanied by regulations or guidelines which describe how funds are to be spent as well as reporting requirements for the grant.

## **The Operational Budget.**

Each grant is set up as a separate cost center to meet both College policy and funding agency guidelines. In addition, requiring separate accounts increases the ease to which the grant may be monitored and audited. Though there are numerous steps involved, the operational budget can be compared to setting up a checking account good for the period of the grant with specific categories of expenditures and amounts already authorized.

When the original operational budget is submitted to the Business Office via a fund authorization by Sponsored Program Compliance Coordinator), it will assign a cost center number and allocate grant resources into specific expense accounts. When setting up the operational budget, the account codes and line item amounts should match those detailed in the original grant application. These numbers are what you will use to process all budget-related requests and paperwork. The operational budget is the first order of business. The Business Office cannot accept or process any expenditures until the "checking account" exists.

# Who Does What?

## Key People and Places

The grants management process exists in a network of organizational units and people. It takes the coordinated efforts of a lot of folks to make this work! Each key person has a role to play and responsibilities to meet. So, who does what, you ask?

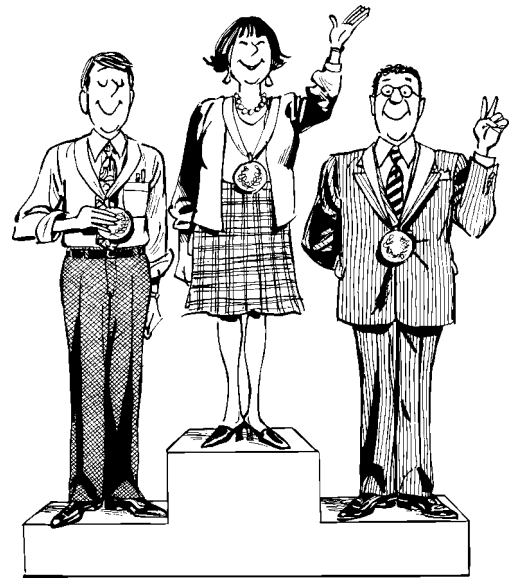
### The Project Director.

The project director is responsible for all program activities as authorized by the funded proposal. Sometimes called the “principle investigator,” this person is responsible for:

- ❑ Establishing grant accounts through the Business Office to ensure fiscal accuracy and accountability with Sponsored Program Compliance Coordinator.
- ❑ Ensuring that the objectives and contractual agreements of the grant are met in a timely manner with Sponsored Program Compliance Coordinator.
- ❑ Initiating hiring of project staff, if applicable, with the College’s Human Resources Office.
- ❑ Supervising project staff in accordance with College and State policies and grant terms.
- ❑ Documenting project implementation, progress, evaluation, and results.
- ❑ Preparing and submitting progress reports and funding continuation applications for the funding agency in accordance with the award agreement with Sponsored Program Compliance Coordinator.
- ❑ Coordinating all purchases with College and State purchasing policies with Sponsored Program Compliance Coordinator.
- ❑ Monitoring expenditures to ensure that grant funds are spent in accordance with the approved budget with Sponsored Program Compliance Coordinator.
- ❑ Working with the Sponsored Program Compliance Coordinator and program staff of the funding agency to obtain approval for any necessary changes to the project.
- ❑ All reports on the implementation, progress, and results of the project, other than official expenditure reports, are the responsibility of the project director.

### The Project Director’s Supervisor.

The project director’s supervisor is charged with oversight and evaluation of the project director’s performance in terms of program activities, rate and accuracy of expenditures of funds, timely submission of reports,



and supervision of grant personnel. This supervisor assumes any and all grant duties until the project director is hired or if the project director is reassigned or terminated. The supervisor reports to the appropriate vice-president or in some instances, may be the vice-president.

### **The Office for Grant Activities**

Staff within the Office for Grant Activities coordinate SCC's efforts to secure external funding both from public and private sector grantors. In order to assist the faculty and staff of SCC, the Grants Office:

- Provides current information on sources of grant funding (federal, state, local, private);
- Provides and obtains current guidelines for application process;
- Assists with development of ideas for projects and budget preparation to ensure all SCC policies are followed;
- Acts as liaison with funding agency personnel (obtains sample funded proposals, clarifies questions about selection criteria, etc.)
- Edits or critiques proposals and concept papers written by others, OR drafts, revises and prepares formal proposals;
- Reviews all institutional proposals submitted to funding agencies by SCC faculty and staff;
- Obtains signature of the President, as certifying official of the College;
- Mails (certified mail, overnight courier) proposals to meet application deadlines;
- Maintains file copies of all pending, funded and unfunded proposals submitted by SCC;
- Negotiates awards, if appropriate; and
- Provides grant management orientation, in tandem with the Sponsored Programs Compliance Coordinator, for project directors.

It is important to note that staff members with the Office for Grant Activities are not experts in all content areas. Rather, the Office for Grant Activities provides technical expertise and assistance in the research, development and submission of grant proposals.

### **The College Administrative Services Division**

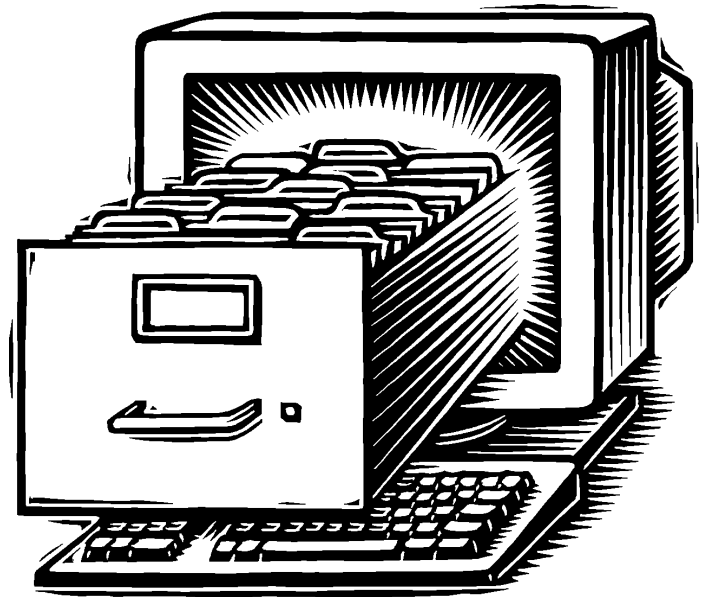
The College's Administrative Services Division includes the functions of the Business Office, Purchasing Office and Human Resources. Any questions related to purchasing, hiring, travel and sub-contracts are answered here. The Purchasing Office handles all issues related to the purchase of resources. The Office for Human Resources is the source for information on appropriate personnel procedures and it's the office which facilitates all hiring.

The Business Office processes all paperwork connected with the expenditure of funds. It prepares and submits fiscal reports to agencies, maintains permanent financial files, coordinates internal and external audits and is the originator of the operational budget. Your primary contact in the Business Office will be the Sponsored Programs Compliance Coordinator (SPCC). The SPCC is responsible for monitoring performance of grant projects to assure timely and accurate delivery of required reports, to ensure that goals and objectives are met, to assist in defining new goals and objectives and setting corresponding activities when necessary, and to generally assist project directors in successful management of their programs. In addition to these program responsibilities, the SPCC works with the Grants Accountant to ensure the integrity of all grant expenditures and assure timely and accurate delivery of financial reports. The project director should become familiar with these offices and their operating procedures and forms.

# Records Management

A good file system is essential to effective grant management. Files should contain, at a minimum, the following:

- ❑ A copy of the proposal and the approved budget.
- ❑ Operational budgets and any amendments.
- ❑ Correspondence.
- ❑ Time documentation records.
- ❑ Personnel paperwork for individuals including contracts and time sheet copies.
- ❑ Consultant contracts, invoices, and reports.
- ❑ Report forms and report copies.
- ❑ Files related to grant activities such as client records, publicity, evaluation, etc.
- ❑ Copies of all requisitions, invoices, travel authorizations and reimbursements.



The average length of time required for maintaining all records related to a grant for auditing purposes is five years from the closing date of the grant, or until a final agency audit is completed. Never discard paper source documents without first checking with the Office for Grant Activities or the Sponsored Program Compliance Coordinator.

# Purchasing

Purchasing is centralized through the SCC Purchasing Office. There is a SCC Purchasing Policies and Procedures Manual with which you should become familiar. It is available in paper and electronic forms.

We would like to offer some general comments related to purchasing here:

- Equipment purchased with grant funds generally belongs to the granting agency and may be required to be returned to the grantor at the end of the grant. In practice, this rarely happens. Usually the equipment can be retained by the College if a letter is written requesting the equipment be turned over to the College.
- Equipment purchased with grant funds can only be used for grant activities.
- Expenditures, such as travel, conference fees, etc., should relate to the dates covered by the grant. That is, no expenditure should be incurred before or after the grant beginning and ending dates.
- Expenditures used for match are subject to the same allowability and restrictions as grant funds.
- The use of program income for expenditures is generally subject to the same terms and conditions as grant funds.
- Please remember that it takes time to process purchase requests and allow yourself plenty of lead time for this process to run its course. Don't wait until the last minute to requisition resources. Contact the Purchasing and Business Office to clarify "last dates" to requisition funds from your grant accounts.
- When purchasing anything or requesting reimbursement for travel, you must use the College's grant forms and process through the Sponsored Program Compliance Coordinator office. (see attachments)



# Budget Management

Fiscal accountability is perhaps one of the most important aspects of grant management. A funder has invested financial resources in College ideas and concepts and has a responsibility to be a good steward of those funds as it relates to the funded project.

Periodic budget reports will be issued from the Business Office and should be reviewed for accuracy of expenditures and to track progress regarding expenditures. Timelines of expenditures is key. One of the best and easiest checks on the progress of the grant is the comparison between the percentage of time elapsed in the grant period and the percentage of the total budget spent. If there is a significant discrepancy, an intensive review of the budget is in order and it may be necessary to ask for assistance from administrators at the College. Don't be afraid to ask for help! Ignoring the problem will not help—in fact, it will make the problem worse. If a program will not utilize a substantial part of the grant funding for some reason, then the College administration should be informed. A decision as to how to proceed can then be made and communicated to the Office for Grant Activities and the Sponsored Program Compliance Coordinator for appropriate action.

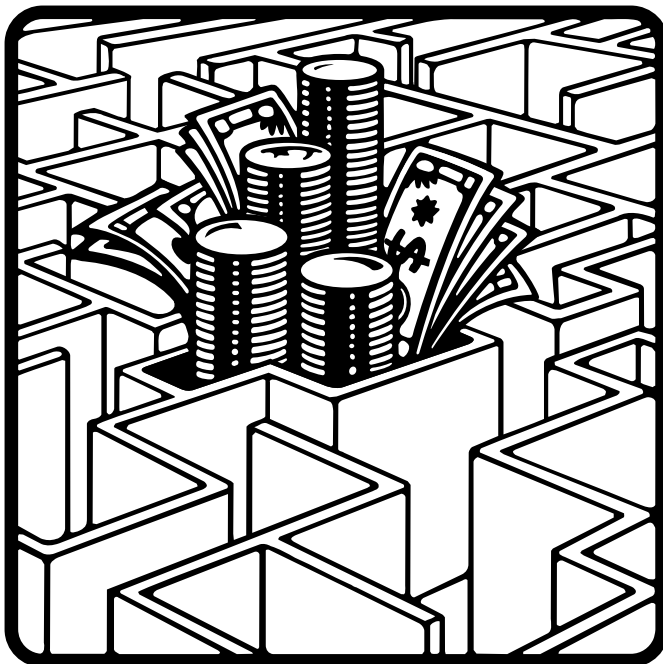
When managing your grant budget, it is also important to monitor the line item expenditures. Most funding agencies do not allow you to overspend in a budget category or switch funds between line items without first asking for authorization for a budget amendment. Amendment requests should be issued well before the program end date in order to confirm approval of such amendments before closure of the fiscal year and the final report is due.

## Budget Amendments.

Sometimes, for a variety of reasons, it becomes necessary to revise the grant budget. Perhaps needs have changed or early estimations of the actual cost of resources is more or less than anticipated. If you find that you need to revise your budget, please contact the Sponsored Program Compliance Coordinator who will work with you to make the necessary amendments to your budget.

## The Grant Fiscal Year.

All grant projects operate within what is called a fiscal year. This is the period of time in which a grant project begins and ends. Even if the grant project is a multiple-year project, there will be yearly fiscal periods within which the project must operate. The College's fiscal year is July 1 - June 30. However, each funding agency has the prerogative to set their own fiscal year guidelines. Please be aware of the fiscal year of your grant project and the College's fiscal year so that efficient management of grant funds can occur.



# Public Relations: Keeping the College and the Funder Informed

## Reports.

Funding agencies require reports at specified intervals during the grant period. These include financial reports, narrative reports detailing accomplishments, and evaluation or final reports. Be sure to review the proposal at the beginning of the grant period to refresh your memory about the reporting requirements, including the timeline, type, and content of the reports. Reports should conform to funding agency guidelines and should use their forms if applicable. Reporting deadlines are important! Be sure to record the due dates for submitting reports, and build in sufficient time for preparing the reports into your work schedule.

While there are exceptions, financial reports are typically prepared by the Business Office and the Sponsored Program Compliance Coordinator. Be sure to coordinate your report preparation with this office and also be sure to provide them with copies of all required documents.

Pay particular attention to the reports due at the closing of the project. The quality of your reports and your ability to meet the report deadlines can have a direct impact on your chances for future funding.

## College Updates.

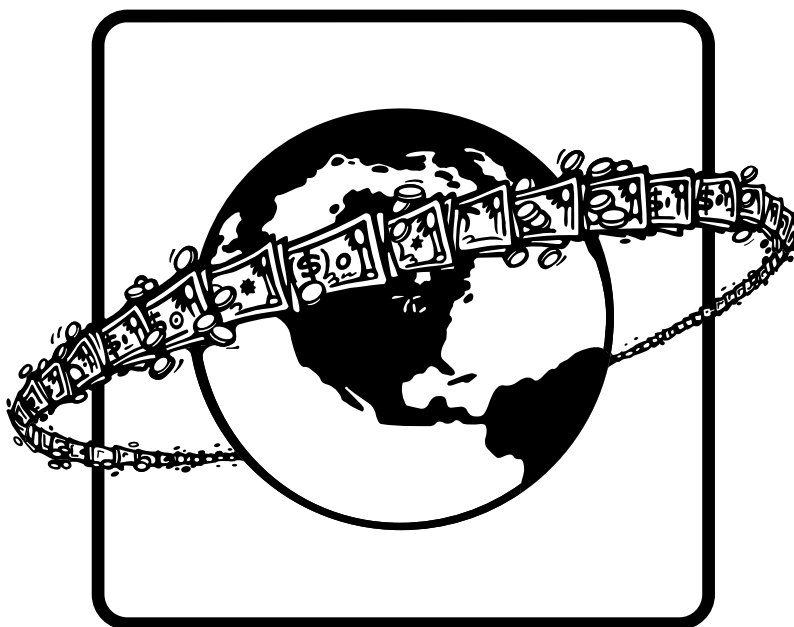
Keep the campus community informed of the great things that are happening because of the grant funds you have received. Regular updates in campus publications, newspaper articles coordinated through the Public Information Office, radio talk shows, and other activities are great ways to let folks know what is happening with your grant project.

## Credit the Funding Agency.

On any piece of printed material, whether a news release, brochure, website or major product, a credit line should appear listing the agency by its full name. If verbal presentations are being given to community or other groups, the agency should be credited there as well.

## Funder Updates.

Some funding agencies like to hear about the progress of the grant project they have invested in—others do not. Rely on the advise of the Office for Grant Activities or Sponsored Program Compliance Coordinator. about what kind of contact would be most appropriate with your respective funding agency. If communication and sharing are encouraged, an occasional note or letter with a clipping from a newspaper or other publication about the accomplishments of your funded project will be a wonderful way to keep the funder informed of the progress of the grant project.





## Staying Out of Hot Water: Some Excellent Tips

The following list of suggestions is based on experience. It is included here for two reasons: (1) to prevent similar mishaps; and (2) to provide guidelines for successful grants management.

**Ask Enough Questions.** As a new project manager or a newcomer to the College, the sheer volume of information can be daunting. Your grant project is important and its running smoothly is important. This handbook provides a beginning. The people and places that form the “grant network” are there to help...ask.

**Provide Lead-time.** This grant project is just one of many initiatives impacting the College. People and processes work best if given reasonable notice and warning. Be courteous and offer those involved a “heads up.”

**Keep Up With the Budget.** Grant funds represent the end result of a stiff competition with other colleges and organizations. They are investment of financial resources by a public or private entity in the College’s future. The College will be held accountable for its stewardship in using those funds. Do your part and keep up with the budget.

**Plan Carefully For Grant-Related Meetings.** Make a written agenda available to participants prior to the meeting. Use effective group management techniques and keep the meeting on track and use time well. Follow-up with meeting summaries or notes and action needed on necessary items.

**Find A Home In The College.** The project manager and the grant project belong to the College and are a part of the campus community of needs, people and events. Avoiding isolation builds support for the project as a whole. An advisory committee made up of representatives from diverse areas of the campus can sometimes help in this process. Check to see if such a committee is feasible.

**Address Problems Before They Become A Crisis.** Any large project has the potential for going awry. Contact supervisors, the Office for Grant Activities and the Sponsored Program Compliance Coordinator when things begin to go off track to find early solutions.

**Read The Mail and Follow Up Agreements and Meetings With Memos.** Academic communities communicate in writing. Paper trails protect the grant and program director from misunderstood communications. When in doubt, document.

**Remember That the College Just Looks Large And Cumbersome.** In reality, there are people at every layer with a wealth of information and ways to get things done. The trick is asking the right person, the right questions.

## “Grant Speak” and Other Jargon

**Allowable Cost:** A cost for which an institution or agency may be reimbursed for a grant or contract with a funding agency.

**Appropriation:** Legislation enacted which establishes a Federal or state activity—these are the actual amounts of funds made available by a legislative body to be spent under a certain program area.

**Contract:** Contracts differ from grants in that the funding agency has a service it wants performed. The College may submit a bid for performing the service. Contracts are usually awarded to bidders on the cost of the service and the bidder’s ability to perform the service.

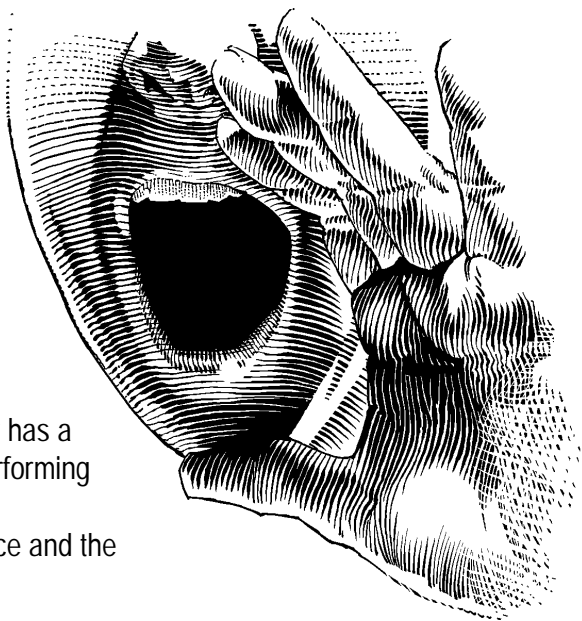
**Direct Costs:** Expenses which are directly attributable to a project and which can easily be identified and associated with a particular budget line item. Examples are salaries, fringe benefits, travel, equipment, etc. These are direct costs in the proposal.

**Fringe Benefits:** Personnel costs, other than salaries, which must be paid by an employer. Examples include employer’s matching share for medical insurance, unemployment insurance, retirement, social security, etc.

**Grant:** A grant is a gift of money given to the College by an external funding agency to carry out an agreed upon project or activity. Most grants are competitive, which means that many colleges and organizations are competing for funds. Some grants are not competitive and are allocated according to a formula or entitlement.

**Grantee:** The recipient agency, organization, or individual of grant funds.

**Grantor:** The public or private agency, organization or individual providing the financial support awarded in the grant.



**Indirect Costs:** Cost incurred in carrying out a project but which cannot readily be attributed or charged directly to a specific budget line item. Such costs generally provide for supportive services (janitorial, administrative, library, accounting, and record keeping) and incidental expenditures (space utilization and heating) incurred but not specifically requested in the project. Indirect costs, then, are usually requested in a lump sum and the amount is either a fixed rate specified in the guidelines or an institutional rate negotiated with the granting agency.

**In-Kind Contributions:** Goods or services having monetary value made available to the project as a contribution. Use of equipment already owned by the institution is an in-kind contribution; purchase of the same equipment would represent a cash contribution.

**Matching Share:** That portion of funds or services provided by the institution in support of the project.

**RFP:** Request for proposals—an announcement by a funding agency that it is accepting proposals to accomplish a specific objective.

**Supplanting:** A procedure whereby an applicant shifts the support for an activity which is normally carried on by the institution to a granting agency. Supplanting is making a request for grants funds to do something you would do even without outside funds. It is illegal in some grant programs and discouraged in all.

# College Grant Management Forms