Centenary College of Louisiana
Grant Management Handbook

Grantmaking at Centenary College

Centenary College seeks to promote a campus-wide culture that fosters efficient and effective grant seeking as a component of effective philanthropy and as a way to support the generation of new knowledge, scholarly inquiry, and creative activity. Grantsmanship at Centenary is a collaboration among the faculty, administration, staff, and the Grants and Business Offices resulting in support of the institution's mission through grant funding that is strategic and responsive. The Coordinator of Grants and Faculty Endowments (grants coordinator) facilitates grant-making at Centenary College and is the central contact for pre- and post-award activities.

Faculty or staff who are eligible to serve as a Principal Investigator and are interested in exploring funding opportunities should begin by contacting the Coordinator of Grants and Faculty Endowments:

Patty Roberts
Coordinator of Grants and Faculty Endowments
Hamilton Hall 127
318 869-5747
pjrobert@centenary.edu

The information below briefly summarizes the steps you may need to take to develop and submit your grant proposal. **Nota Bene**: *Each grant application is different. The information included in this handbook is comprehensive. Your proposal will not necessarily require all of the forms and information described herein. If you are contemplating application to a grant program, your first step should be to contact the Coordinator of Grants and Faculty Endowments, who can advise you on what to include in your proposal.*

Pre-Award Activities

Identify Funders

The first step to a successful grant proposal is finding a funder whose grant-making priorities match the institutional or research objective of the proposal. The grants coordinator has access to search materials that can help identify possible funders. Individuals can search federal funding opportunities at www.grants.gov . Centenary faculty and staff also have access to the SPIN database where they can build searches based upon their program and research interests. The grants coordinator is available to assist members of the Centenary community with these searches.

Complete Approval Forms

Centenary requires faculty, staff, and/or students interested in applying for grant funding to follow a pre-approval process which includes completing the Grant Routing Process Form. You will need to develop a project summary and a preliminary budget in order to complete these forms and must have the support of your supervising cabinet member for your project. Contact the grants coordinator for assistance.

Prepare Proposal for Submission

There are many articles and on-line tutorials with grant-writing tips. The number one tip? Follow the directions. Pay close attention to the information provided in Grant Guidelines and Requests for Proposals.

Number two tip? Allow sufficient time to complete your proposal. Remember to leave plenty of time before the submission deadline to fill out forms, gather letters of support, obtain signatures, etc.

Number three tip? Communicate with the grants coordinator early and often. The grants coordinator is available to help throughout the grant development process.

The Proposal Narrative

Most grant proposal narratives will include the following generic components:

Problem Statement – Shows your understanding of the problem you are trying to address and how it relates to the problem statement contained in the call for proposals.

Needs Statement – Shows how the issue described in the problem statement manifests itself at Centenary College and the needs it creates in your specific situation.

Project Goals – Overarching outcomes that your project will achieve in relation to the problem and needs. Project goals should closely reflect the program sponsor's mission.

Project Objectives – Steps you will take to achieve your goals. Objectives can take several forms:

- Behavioral, e.g., 50 children will learn how to swim
- Performance, e.g., 50 children will learn how to swim within 6 months
- Process, e.g., within 14 days of program approval, a committee will be established to contact 50 children who…
- Product, e.g., a DVD will be produced that teaches swimming instruction

When drafting objectives, it is helpful to remember that they must be SMART, i.e., specific, measureable, achievable, realistic, and timely.

Project Activities – Actions or methodologies that will be employed to accomplish your objectives.

The Proposal Budget

A successful proposal budget is an expression of the program or research plan in monetary form. A grant budget cannot be developed in isolation of or independently from the proposal narrative. All activities that are identified in the proposal narrative must be represented in the budget, and the budget should not include costs that have not been identified in the narrative.

When developing a grant budget, remember that all requested costs must be allowable and in accordance with the following three items:

- the limitations and/or exclusions in the call for proposals;
- all applicable Federal Office of Management and Budget policies; and
- Centenary College budget and accounting policies.

Additional Forms and Signatures

For proposals to the National Science Foundation (NSF) and Public Health Services (PHS) Agencies, including NIH, PIs, Co-PIs, and Senior and Key Personnel must comply with the College's Financial Conflict of Interest for Externally Funded Research Reporting Process.

The Coordinator of Grants and Faculty Endowments will assist with obtaining the signatures necessary for submission. Be sure to consult with her in advance so there will be ample time to route the proposal for signatures.

Post-award Grant Management

Uniform Guidance

On December 26, 2013, the White House Office of Management and Budget (OMB) issued final guidance entitled *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award in the Federal Register* (Uniform Guidance). Effective December 26, 2014, this Uniform Guidance replaced the administrative, accounting, and audit rules and principles promulgated in eight OMB Circulars, including A-21, A-110, and A-133, and governs the administration of federal grants and cooperative agreements at all institutions of higher education, including Centenary College. As allowed under the Federal Register dated May 17, 2017, Centenary College has elected to delay implementation of the procurement standards outlined in 2 CFR 200.317-326 until new policies and procedures are fully developed and will continue to comply with the procurement standards outlined in previous OMB guidance (as reflected in §200.104) for Awards subject to the Uniform Guidance until July 1, 2018.

Centenary's Grant Handbook has been revised to reflect the Uniform Guidance.

AWARD ACCEPTANCE

Institutional Review

Funding agencies award institutional grants to Centenary College on behalf of a Principal Investigator (PI) or Project Director (PD), hereinafter referred to in general as the PI. As such, the notice of award is usually sent to the Coordinator of Grants and Faculty Endowments or a senior administrator. If award documents are sent directly to a PI, but the funds will be managed by Centenary, the PI should notify the Coordinator of Grants and Faculty Endowments immediately so that the award can be reviewed and accepted in a timely manner.

All institutional awards are made to Centenary College, not to an individual. Institutional review and approval will be required before a grant is accepted. In order for Centenary to accept an award, specific information must be contained within the award document(s) issued by the sponsor. This information includes

- period of performance, the period from the authorized start date to the authorized end date of a project;
- scope of work, a narrative description of the work to be completed under the agreement;
- award amount, the dollar value of the award; and
- sponsor contact and billing information, the point of contact, including mailing address, telephone number, and any invoicing procedures.

The Coordinator of Grants and Faculty Endowments will manage formal review of the award terms and conditions, assist with negotiations and publicity, and work with the Business Office to establish a separate, restricted grant account.

This award review and award acceptance process does not apply to awards that are paid directly from the sponsoring agency to an individual, e.g., most fellowships.

PI Responsibilities
The PI is ultimately responsible for all aspects of the sponsored project, including programmatic and financial oversight. Primary responsibilities of the PI include project management, expenditure management, employee management, reporting, and sub-award management (if applicable). The Grants Office and Business Office at Centenary College have established administrative systems and processes to support the PI throughout the life of an award. Please contact them with your questions or if assistance is needed.

In addition to complying with the terms of the award, it is the responsibility of the PI to meet any applicable requirements. Depending on the funding source and type of award, this may include but is not limited to the following:

Reporting: the PI is responsible for the timely submission of all reports in accordance with the terms of the grant and requirements of the sponsor. With the PI's input, the Grants Office and Business Office will prepare any financial reports for submission to the sponsor; a financial report completed by the PI is not an official institutional report of expenditures. The Coordinator of Grants and Faculty Endowments will review progress and narrative reports prior to submission. Copies of all narrative reports and correspondence related to the grant should be forwarded to the Coordinator of Grants and Faculty Endowments.

Financial Conflict of Interest (FCOI) Training and Disclosure: All PIs and senior personnel working on grants from the National Science Foundation (NSF) or a Public Health Service (PHS) Agency (including NIH) are required to complete FCOI training and periodic disclosures.

Responsible Conduct of Research (RCR) Training: It is the responsibility of all researchers to be trained in RCR as required by funding agencies and compliant with the College's practice.

Effort Certification: All personnel who receive any compensation from or have committed effort on a federal grant-funded project are required to submit Time and Effort reports.

Research involving live, vertebrate animals: All work involving live, vertebrate animals must be reviewed by the Institutional Animal Care and Use Committee (IACUC) prior to research initiation.

Human Subjects Research: All research involving human subjects must be reviewed and approved by the Institutional Review Board (IRB) prior to research initiation.

Dissemination/Publications: Compliance with any applicable public access policy is required, including, but not limited to, publications resulting from research supported by the National Institutes of Health and/or the National Science Foundation.

Intellectual Property: It is the responsibility of the PI to comply with the College's IP Policy. Further, if an invention results from research supported by the federal government, it is the responsibility of the PI to comply with the Bayh-Doyle Act.

Export Controls: Regardless of the source of funding, it is the responsibility of the PI to comply with Export Controls laws, which regulate 1) the shipment or transfer, by whatever means, of controlled items, software, technology, or services out of the U.S. and 2) the release of certain information to foreign nationals here in the U.S. (referred to as a "Deemed Export").

Records Management and Retention: Researchers have certain obligations to record, maintain, and retain research records and to make those records available for grant monitoring and auditing purposes. Research records include research data, materials, documents, and information that relate to the administrative, financial, human resource management, reporting of research results, sponsored award applications, cost or pricing, or other management information that has been gathered or used in research activity. Unless a funding agency requires a longer period of retention, Centenary College grant records will be retained according to the following schedule:

Type of Record	Responsible Party	Period of Retention
Federal Grant Records – Financial	Business Office	ACT* + 3
Federal Grant Records - Non-financial	Grants Office	ACT + 3
Federal Grant Records - Personnel related	Human Resources	ACT + 3
Private Grant Records – Financial	Business Office	ACT + 3
Private Grant Records - Non-financial	Grants Office	ACT + 3
Private Grant Records - Personnel related	Human Resources	ACT + 3
Grant Records - Intellectual property	General Counsel	ACT + 6
Federal Grant Records - Research data and records	Principal Investigator	ACT + 3
Private Grant Records - Research data and records	Principal Investigator	ACT + 6

*Active grant period

Internal Grant Account Number
Based on information received from the Grants Office, the Business Office will establish a new account number for each grant, which must be used for all transactions related to the grant budget. The Business Manager or Controller will provide the account number to the PI and to the Coordinator of Grants and Faculty Endowments.

Grant Administration

The financial management of grant funds is the PI's responsibility. The authority to sign-off on expenses can be delegated to someone else, but the PI remains responsible for the management of the funds. Please contact the Coordinator of Grants and Faculty Endowments to authorize another individual to

sign-off on expenses. The Grants Office will meet with the PI to review and plan appropriate financial management of the award.

Pre-award Costs

Some funding agencies will allow the College to incur allowable and allocable pre-award costs up to 90 calendar days prior to the award start date. Pre-award expenditures are made at the College's risk; the funding agency has no obligation to reimburse the College if an award is not subsequently made or is made for a lesser amount than expected. The College may permit the expenditure of funds within this 90-day period only for costs that are absolutely necessary for the start-up of a research project. This mechanism may not be used for the normal expenditure of funds. To request pre-award spending, the PI must complete and submit to the Grants Office the Grant Change Request Form; the form should include an explanation as to why the expenditure is necessary for the effective and economical conduct of the project. Pre-award expenditures must be approved in writing by the Business Office before the PI incurs or obligates the College to incur any pre-award costs.

Multiple Grants

Co-mingling of grant funds is expressly prohibited. If a PI is the recipient of more than one grant award, separate restricted accounts will be established for each grant. It is the responsibility of the PI to ensure that expenses and effort are charged to the appropriate grant account and that there is no mixing of funds.

Tracking Expenses

The PI is responsible for budget management and identifying and coding expenses to his/her sponsored project award. The PI has the responsibility for verifying that each charge to the award is allowable and submitting it to the Coordinator of Grants and Faculty Endowments to be approved for submission to the Business Office or Payroll Office for payment. Requests for payment that have not be reviewed by the Grants Office will not be processed.

At least once quarterly, the PI will review the grant budget account with the Coordinator of Grants and Faculty Endowments to review transactions that have been posted to the grant account to ensure that expenditures are within the project's budget, incurred between the project's start date and expiration date (unless pre-award costs have been approved), and identify and resolve potential erroneous postings.

Cost Transfer Guidelines

Centenary's Cost Transfer Guidelines are designed to ensure that cost transfers meet external regulations, guidelines, and terms. Cost transfers may be necessary to correct clerical errors, reallocate effort to reflect actual effort, or to allocate shared services that were previously charged elsewhere. Transfers involving federally sponsored project accounts are monitored, requiring that each request for a cost transfer be justified, documented, and completed in a timely manner to support allowability and allocability. It is the responsibility of the PI to review expenditure activity in conjunction with the Coordinator of Grants and Faculty Endowments. The Grants Office and Business Office work closely to ensure all journal entries meet all requirements and are accomplished in a timely manner.

Allowable and Unallowable Costs

In accepting a federally sponsored grant or contract, Centenary College agrees to abide by certain federal rules and regulations regarding the use of the funds. OMB Uniform Guidance sets forth the general criteria that educational institutions must follow in determining whether costs are allowable on federally funded projects. Many federal agencies also publish additional cost guidelines specific to funds awarded by their agencies, and in certain cases, specific grants or contracts may contain additional allowability guidelines for a particular project. PIs must be familiar with these regulatory requirements in order to appropriately administer federally funded sponsored projects.

All vendor discounts, credit memos, rebates, and other cost adjustments must be applied to the cost of a project.

The following is a companion document to Subpart E of *2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. It does not contain the full language of Subpart E. The complete 2 CFR 200 can be found [here](#).

Allowable Costs: Costs must meet seven general criteria to be allowable under Federal awards. Costs must 1) be necessary and reasonable for the performance of the Federal award, 2) conform to any limitations or exclusions set forth in these principles or the Federal award as to the types or amount of cost items, 3) be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the institution, 4) be accorded consistent treatment, 5) be determined in accordance with generally accepted accounting principles (GAAP), 6) not already be included in a cost sharing or matching requirement of any other externally financed program, and 7) be adequately documented.

- Reasonable—A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity (institution) is predominantly federally funded.
- Allocable—a cost is allocable to a particular award or other cost objective if the goods or services involved are chargeable or assignable to that award or cost objective in accordance with relative benefits received.
- Consistent—Costs that are consistently treated in the same manner under the like circumstances and are either directly charged or included in Facilities & Administrative Expenses (F&A) recovery, not both.

Unallowable Costs: There are certain activities and costs that the federal government and most private funders deem inappropriate and will not reimburse. These categories of activities and costs are referred to as unallowable. Below is a partial list of activities and costs that are generally considered unallowable under OMB guidelines. 2CRF Part 200 Subpart E Cost Principles, includes a Listing of Costs that are unallowable either as a direct or indirect charge to federal grants and contracts. Unallowable costs include but are not limited to the following:

- Alcoholic beverages
- Alumni activities

- Bad debt
- Commencement and convocation costs
- Contingency provisions
- Costs of criminal and civil proceedings
- Donations and contributions
- Entertainment costs
- Fines and penalties (failure to comply with federal, state, or local laws & regulations)
- Fundraising and investment costs
- Goods or services for personal use of college employees
- Housing and personal living expenses
- Interest
- Lobbying
- Meals, other than budgeted travel costs
- Student activities, unless specifically provided for in the sponsored agreement
- Travel: airfare costs in excess of the customary standard commercial airfare (coach or equivalent) are not allowed except under very specific conditions such as the medical needs of the traveler. These conditions must be documented.

Program Income

It is the responsibility of the PI to notify the Grants Office if any income will be generated during the course of a project. Federal Regulations define program income as "gross income earned by a recipient that is directly generated by a sponsored activity or earned as a result of the award." Program income will be accounted for in specific ways, depending on the sponsor's policies and any applicable regulations. Regardless of the method used, program income may be used only for allowable costs in accordance with the applicable cost principles and the terms and conditions of the award.

Cost Overruns

The PI is responsible for not exceeding the grant budget. If cost overruns occur, they must be corrected during the course of the project. In the absence of other sources of funding that the PI can identify, the respective department budget will be charged for any cost overruns.

Changes to Project and/or Budget

Unforeseeable circumstances may occur that require changes after an award is made. Some of these changes require prior sponsor approval and others do not; please check with the Coordinator of Grants and Faculty Endowments with specific questions. If any changes to a project and/or budget are required, the PI must complete the Grant Change Request Form and submit it to the Grants Office **before initiating any changes**. A written justification of the requested change(s) will be required. The Coordinator of Grants and Faculty Endowments will determine whether your request can be approved internally or if pre-approval of the sponsor is also required. Please allow sufficient time for review and processing.

Some things to keep in mind regarding project/budget changes:

 No-Cost Extensions: Most sponsoring agencies will allow an extension of the grant expiration date if more time is required to assure adequate completion of the original project scope. If additional time is needed, the PI should contact the Grants Office in advance of the project expiration date to discuss requesting an extension of the project. Extension requests must be made for programmatic reasons, not financial ones. Although the process for applying for a no-cost extension (NCE) varies by sponsor, many federal agencies allow the College to authorize a one-time, 12-month NCE for specific reasons, which must be provided in writing. Please be prepared to provide a written technical justification for an extension. Please also note that the fact that funds will remain at the expiration of the grant period is not, in itself, sufficient justification for an extension. In all cases, such extensions must be requested well in advance of the expiration date. Please complete a Grant Change Request Form and submit it to the Grants Office as soon as it is known that an extension will be necessary.

Mandatory Prior Approvals: Some modifications require approval by the sponsor before any change is made. The specific events requiring prior approval are dependent upon the applicable guidelines and notice of award, but generally the following circumstances require that a PI work through the Grants Office to obtain prior sponsor approval. This list is not exhaustive.

- Significant Change of Effort by, or Absence of, PI
  Under the Uniform Guidance (200.308) prior sponsor approval must be obtained from the federal agency if a PI will be "disengaged" from the project for more than three months, or if there is a 25 percent reduction in the time the PI devotes to the project.
- Participant support
  The transfer of funds budgeted for participant support costs to other categories of expenses requires prior approval from the federal sponsor. See 200.308(c)(5).
- Re-budgeting Cost Sharing
  Committed cost share must be delivered for the purpose for which it was promised. If any change in the amount or purpose of the promised cost sharing is anticipated, it will be necessary to obtain the prior approval of the federal sponsor before re-budgeting. See 200.308(c)(7).

Communications with Sponsor
Communications between Centenary College and the sponsor relative to financial management of projects are to be coordinated through the Grants Office. This communication includes, but is not limited to, negotiation of project terms or amounts, budget revisions, interpretation of contact/grant language or any events which may require formal approval of the College or sponsor.

Award Closeout
The grant closeout is a critical piece in the life cycle of a grant. Grants are considered closed when all the work has been performed to the granting agency's satisfaction or upon termination date specified in the award. Preparation for closeout should begin three months prior to the end date of the grant in order to accurately forecast expenses and any adjusting entries that need to be made. The PI works with the Grants Office to ensure all project costs are properly identified and compliance has been met with all of the terms and conditions of the award.

The PI is responsible for preparing and submitting the final technical report to the sponsor in a timely manner, according to the schedule outlined in the award. The Grants Office will work together with all departments involved to complete the Grant Closeout Checklist's three main areas of management: expenses, records, and reporting.

Invention Disclosure is critically important for all projects, especially where any portion of the funding comes from the federal government, private foundation, or commercial sponsor. Prompt disclosure is required, although the method of disclosure may vary depending on the sponsor. PIs should work with the Grants Office to determine exact requirements.

Residual Funds or unspent funds on sponsored projects occur when the receipt of revenue or cash from a sponsor exceeds the costs identified and incurred on the project. Since the majority of sponsored projects received by the College are cost reimbursable from a financial accounting perspective, these residual funds on sponsored projects must be returned to the sponsor unless otherwise instructed by the sponsor.

FINANCIAL REQUIREMENTS AND PAYMENTS

Federal Funds Payment and Cash Management

The purpose of these guidelines is to provide timely and accurate application of remittances for sponsored programs made to Centenary College. The Business Office manages the cash-related activities, maintaining appropriate cash flow for Centenary's sponsored programs while ensuring financial compliance with Federal regulations, sponsor requirements, and College policies. Centenary's Federal Funds Payment and Cash Management Guidelines are available here.

Personnel Costs

Personnel are a key element of many grants. Specific personnel and their qualifications may have been identified in the proposal narrative, or the narrative may have described the responsibilities of a grant-funded position to be filled upon receipt of the award. In some cases, the personnel are current Centenary employees whose duties will be expanded or cost-shared, and in other cases, the personnel are new hires who will be employed by Centenary and specifically assigned to the grant project. Many grant budgets include funds for PI stipends, hiring students, and/or hiring additional personnel.

- Institutional Base Salary: Centenary defines Institutional Base Salary (IBS) as "Pay for the employee's primary job responsibilities." Typically, the amount of an employee's IBS will be described in the appointment letter and thereafter in annual salary letters or amendments to such letters. IBS typically excludes supplemental compensation from stipends, one-time payments, and/or payments for extra duties. For reference, a faculty member's IBS includes the teaching, service, and administrative responsibilities outlined in their annual contract (but would not include, for example, an additional appointment to teach summer classes).
- Salary limitation: Centenary limits supplemental compensation from all sponsored projects to no more than two months of IBS in any one year; this is based on effort expended on a sponsored project outside of the academic appointment or job description.
- Time and Effort reporting: Grant-funded employees receiving any compensation from federal grants are required to comply with the College's Time and Effort Reporting Procedures.
- Payment of grant-funded payroll and stipends
  - The PI should contact the Grants Office when a newly awarded grant includes wages (salary or stipend) to be paid from the budget to verify and document effort projections and complete Employee Action Forms for any new hires.
  - At the time salaries or stipends are to be paid, the PI should contact the Grants Office for help completing the appropriate payroll or Accounts Payable (AP) check requests. These forms include information such as the account number to which salary will be charged, the amount, and the period over which the salary is to be distributed.
  - If funds will come from a federal award, the Grants Office will also verify that any additional required documentation is complete and up to date (e.g., FCOI and/or any applicable training certifications) before forwarding to the Provost and, if required, Vice President for Finance and Administration (VPFA) for their approval.
- Grant-funded Employees: The employment of personnel hired with grant funds is limited to the duration of the grant, or contingent upon continued funding. As hiring supervisor, the PI has the responsibility to select the best-qualified candidate while adhering to all applicable laws and

regulations. All employees must comply with College policies and processes. The same hiring process that applies to regular employees at the College is used when hiring grant-funded personnel.

Procurement Rules and Thresholds – Purchases made with Federal Funds

The federal government imposes a set of standards for the acquisition of supplies, equipment, and real property purchased with federal funds. Procurement procedures must comply with the standards imposed by OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR-200).

Guidelines for purchases

- No employee, officer, or agent of the College shall participate in the procurement of goods and equipment supported by grant funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of these parties, has a financial or other interest in the firm selected for an award or purchase. The officers, employees, and agents of the College shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or contractors.
- The vendor or contractor who meets the required quality standards at the lowest cost should be selected. Purchasers should check with the Business Office to determine if the College has group purchasing agreements in place with vendors or contractors that provide discounted pricing. Regardless of the cost or acquisition, grant recipients are required to avoid purchasing unnecessary items.
- Centenary has adopted the purchase order as the primary approval method for ordering. The PI should consult the College's Purchase Order Policy for information on completing purchase orders and exceptions to the policy. The PI should consult the Coordinator of Grants and Faculty Endowments or the Business Manager or Controller with questions.
- Purchases in excess of $10,000 require a quote from multiple vendors or Single Source documentation as described in the Purchase Order Policy.
- All contracts must be reviewed and signed by the VPFA.
- Capital Equipment is defined by the OMB as "tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit." The acquisition cost includes installation charges and freight. Note that the College's Fixed Asset Policy sets the threshold for capital equipment at an acquisition cost of $3,000 or more per unit.
- Debarment and Suspension: No contract shall be made to parties listed on the General Service Administration's (GSA) list of Parties Excluded from Federal Procurement or Non-Procurements Programs (http://sam.gov). This list contains the names of parties debarred, suspended, or otherwise excluded by agencies and contractors declared ineligible under statutory or regulatory authority.
- Small, Minority-owned, and Women's Business Enterprise Utilization: Colleges and universities expending federal funds are required to make positive efforts to use small businesses, minority-owned firms, and women's business enterprises whenever possible.
- The Davis-Bacon Act requires contractors and subcontractors on federally funded or assisted contracts to pay their laborers and mechanics employed under the contract no less than the locally

prevailing wages and fringe benefits for corresponding work on similar projects in the area. It applies to contracts of more than $2,000 to construct, alter, or repair (including painting and decorating) public buildings or public works. The Department of Labor determines the locally prevailing wage rates.

Purchasing Guidelines Based on Threshold

The threshold amounts refer to the total cost of the purchase. For example, purchasing three $900 laptops is considered to be a $2,700 purchase, not three separate items. A $90,000 equipment purchase with a $5,000 deliver/set-up fee and $8,000 in ancillary parts constitutes a purchase over $100,000.

Amount of Purchase	Specific Requirements
Under $2,999	No competitive cost estimates required
$3,000 to $24,999	Two or more detailed cost estimates, printed from Internet search and/or in writing from vendor
$25,000 to $49,999	Three or more detailed cost estimates, printed from Internet search and/or in writing from vendor
$50,000 to $149,999	Three or more written quotations from vendor with specifications clearly delineated
$150,000 and more	Three or more sealed bids (formal advertising) or competitive proposals must be solicited from potential vendors/contractors. Must be in compliance with OMB 2 CFR §200.320.

Documentation must be maintained that is sufficient to detail procurement history. A quotation is a written statement from a vendor regarding the price for a specific good or service. Quotes and bids should include specifications and qualifying characteristics considered by vendor/contractor including delivery and time frame, scope of work, references, and other relevant specifications.

Procurement and service contract records must contain at least three elements:
- Basis for the vendor/contractor selection. Information showing how the College arrived at the decision to award the contract to that particular vendor/contractor.
- Justification for lack of competition when competitive bids or offers are not obtained. A departure from the "free and open competition" standard imposed by the federal government requires justification. Unique capacity or ability on the part of the contractor (such as specialized research services from a skilled party) is frequently sufficient justification. Nevertheless, because the action represents a departure from normal practice, it is one that is likely to receive close scrutiny in audits or other reviews conducted by awarding agency officials.
- Basis for the award cost or price: the cost and price analysis should be documented to establish that the institution obtained a fair price.

Other Types of Expenses

Payments to independent contractors for services – An IRS form W-9 is required in order to pay independent contractors. Do **not** pay out-of-pocket or with a personal credit card for services. You **may** use a College purchasing card to pay for services. If the individual to be paid is from a foreign country, please contact the Business Office as soon as possible and prior to hiring them to perform any work. US

Department of Homeland Security, Department of Labor, and Internal Revenue Service regulations govern the entry, visa status, payment and taxation of these individuals. Centenary College abides by these regulations in all cases. It may take several weeks to complete the paperwork necessary to pay nonresident aliens.

Travel – Grant-funded travel must comply with sponsor and College travel policies. When travel costs are to be charged to a grant or sponsored project, the terms stipulated by the funding source will take precedence if they are more restrictive than College policy. Please note that entertainment expense is not an allowable cost for federal grants.

Computer Hardware and Software Purchases – Centenary's Information Technology Department coordinates the orders for all computer hardware and software purchases. Any grant proposal involving computer or software purchases must be approved by the IT Department **before** the proposal is submitted to confirm that the specific items you need are currently supported and that networking is available if applicable.

Indirect Cost Recovery – Indirect costs, those expenses that are not readily identifiable with a particular project but nevertheless are necessary and real costs to the institution in the operation and conduct of its activities, are often disallowed by sponsors. Where allowed, they should be included in the proposal budget at the sponsor's maximum indirect cost rate. Centenary does not have a current federally approved indirect cost rate. For proposals requiring a federal indirect cost rate, contact the Grants Office for information on how to proceed.

Any waived indirect cost is considered cost sharing and must be approved in advance by the Grants Office and the Business Office. Recovered indirect costs are distributed as follows: 1/3 to the department of the grant PI; 1/3 to a fund in the Provost's office to support cash match for future grants; 1/3 to the facilities budget.

Capital Equipment
Capital equipment is defined by the OMB as "tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit." All costs associated with making the asset serviceable can be capitalized. Equipment acquired with external support becomes the property of Centenary College unless restricted by the sponsor.

- PI Responsibilities: PIs are required to ensure the proper receipt of the equipment, track equipment, participate in inventories, and notify the Business Office with regard to condition, location, loss, or damage to the equipment. The PIs establish maintenance procedures and records and are responsible for the operational condition of the equipment.
- Insurance: Real property and equipment acquired with federal funds will be insured at levels consistent with other Centenary property and equipment. The Finance and Administration Division is responsible for maintaining adequate insurance.
- Record Keeping: The College's capital assets are recorded in the SAGE Fixed Assets System (FAS). FAS is a standalone PC-based system, the outputs of which are periodically summarized via journal voucher in the College's Banner General Ledger (Finance) system, which contains Centenary's official accounting records. FAS includes records of all capitalized personal and real property.

- Disposal: If an item purchased with grant funds is determined to be obsolete, and the item's value exceeds $5,000, disposition rules must be followed. This may include requesting disposition instructions from the awarding agency. Possible disposition practices may require compensating the Federal awarding agency for its proportion of the original cost applied to the fair market value.

Ownership of Items Purchased with Grant Funds

Grants are awarded to Centenary College, not to individual PIs. As such, items and equipment purchased with grant funds belong to Centenary. All institutional policies regarding capital equipment, purchasing, and procurement apply.

Subcontracts and Sub-Recipient Monitoring

A sub-award is an agreement with a third-party organization performing a portion of a Centenary research project or program. The terms of the relationship (sub-grant/subcontract) are influenced by the prime agreement, and all sub-awards must be monitored to ensure that the sub-recipient complies with these terms. A sub-award or subcontract agreement is more than a handshake between two individuals. When Centenary receives an award from an external sponsor, the sponsor often indicates the terms and conditions that Centenary must pass on to any sub-recipient partners involved in the project.

Once Centenary receives an award from the sponsor, the PI will work with the Grants Office to determine when a sub-award is to be issued. The Grants Office will work with the VPFA to prepare a sub-award , based on the [Federal Demonstration Partnership (FDP) template](#). Additional information and disclosures may be required from the PI and sub-recipient, including but not limited to financial conflict of interest assurances and debarment and suspension certification.

Sponsor approval will be required to have a sub-recipient perform any part of the funded project if a sub-award was not part of the original proposal to the external sponsor, was not part of the approved award, and/or if the proposed sub-recipient will change for any reason. This process should be initiated by the PI's completing a [Grant Change Request Form.](#)

Once a sub-award agreement has been approved and fully executed, it must be monitored throughout its life. This activity is the shared responsibility of the PI, the Grants Office, and the Business Office. Responsibilities include monitoring the activities and performance of any sub-recipient receiving funding from the PI's federal award.