

## Seattle College District Procedure

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**NUMBER: 670**

**TITLE: SCD Grants and Contracts**

**Adopted Date: 4/25/2005 Last Revised: 3/27/2017**

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### **670.10 Overview**

Contracts are agreements entered into between the college(s) and another entity, generally, private industry, in return for programs or services described in the written agreement. Often, contracts will generate funds for general use of the College.

Grants are monies received in return for programs or services performed over a period defined by the grantor. Grantors might be federal, state or local government agencies or private foundations. Grant funds are restricted based on the grantor's intent and may contain requirements for matching or leveraged funds and/or periodic progress reports. Applications, financial and performance reports are generally in a format established by the grantor. If the grantor has indicated no restrictive purpose, the funds are considered unrestricted for use in general by the District or Campus.

## 670.20 Applications and Proposals

When applying for a grant or contract the following is necessary for the application:

- a. All grant applications should follow the specific instructions provided by the funding agency.
- b. The proposal must support the overall mission and goals of the institution.
- c. The proposal must conform to District policies (including travel and light refreshments), legal and financial considerations, and District / College service capabilities.
- d. Salaries and benefits must be consistent with District salary schedules or appropriate contract-training rates.
- e. Space and facility requirements must be satisfied with current facilities unless costs for additional space and utilities are included within the funding provided.
- f. The budget must be reasonable with verification by the Business Office that all costs, including indirect costs, are provided in the grant proposal. Budgeted line items must be allowable within the policies of the District, the grantor, or the Washington State Office of Financial Management.
- g. College matching funds must be available when they are a condition of the grant. Matching funds must be reasonably stated and have been specifically approved in advance by the District Chancellor, District Vice Chancellor for Finance (if the District is the applicant), or College President (if an individual college is the applicant). Federal Funds **are forbidden from being used** to match other federally funded activities.
- h. If other college departments are required to provide support to the project, such as registration, financial aid, counseling, advising, cashiering, computing support, etc., these departments must be consulted prior to submitting the application or program. Communicating with other departments about proposed projects helps to ensure fast, efficient services in support of the project.

## 670.30 Financial Guidelines

Appendix D describes financial guidelines in detail. When preparing your cost proposal, keep in mind the following items need to be included in all grants and contract budget applications:

- a. Salaries and benefits - ALL employees, including part-time hourly, receive some measure of fringe benefits including social security, Medicare, unemployment insurance and worker's compensation. Therefore, the budget plan must include the benefit costs corresponding to the employee salaries. Contact the College Business Office for information and rates.
- b. Other expenditure items including: contract services, goods & services, travel, equipment, client services (such as tuition, lab fees, childcare, transportation, etc., for students), and indirect cost recoveries.

## 670.40 Required Documentation for the application to be approved by the President

- a. Grant application and/or summary of funding opportunity
- b. Request to apply for external funding ( [APPENDIX G, Request to apply for external funding](#) )
- c. Budget Summary ( [APPENDIX D, Financial Guidelines](#) )
- d. Indirect Costs Rate ( [APPENDIX E, Indirect Costs](#) )

## 670.50 Approval Process

The College's legal approving authority, the President or their delegated designate(s), must approve all applications and contracts for them to be binding upon the College. Agreements entered into by College employees not conforming to this policy are not binding upon the College. **Approvals for matching funds and indirect cost waivers need to occur at**

**the very beginning of the grant or contract application process.** In addition, detailed budget plans must accompany all grant applications or contract proposals.

### **New Grants or Contracts**

When developing a proposal for a new grant or contract, program managers must work closely with their College Grant Office to get approval from their administrator/supervisor at an early stage in the process. The approval mechanism is the [“Intent to Apply for External Funding form” \(APPENDIX G\)](#) that summarizes the project and budget, how it aligns with the district or college strategic plan, and how it affects other departments within the college or district. The College Business Office, the appropriate Vice-President, and when appropriate, Human Resources, should be involved in the development of a grant or contract application. Keeping the College Business Office involved in the application process will expedite grant and contract application approvals.

### **Required Signatures**

Required signatures for all grants, contracts, and agreements in the proposal stage and subsequent award stage are listed below with a brief description of the responsibilities of each individual.

- a. *Program Manager / Primary Investigator (PI) and Sponsoring Dean* – Individual in charge of the program or project (usually an Assoc. Dean, Dean, Director or Program Manager). Campus Business Offices may require a detailed acknowledgement described in page 3 of APPENDIX I (Sample Contract).

Signature represents:

- knowledge and responsibility for the service to be provided
- responsibility for compliance with the grant / contract terms and conditions
- responsibility for financial management of the grant or contract
- responsibility for program/project outcomes and results

- b. *Vice President for Instruction or Student Services (proposals only)*

Signature represents:

- determination that this program or service supports the college's mission and/or strategic plan
- approval that this program or service meets all instructional regulations and directives
- understanding of the financial commitment of the institution

- c. *Vice-President for Business / Administrative Operations*

Signature represents:

- knowledge of liability and financial commitments and risks associated with the program
- understanding of administrative support to be provided to program manager
- responsibility for invoicing and coordinating all financial transactions with District Office

- d. *College President / District Chancellor (for District wide grants)*

Signature represents:

- legal binding commitment to provide the program or service as prescribed in the grant application or contract.

Once the application or agreement is approved, the program manager will coordinate the grant application submission with the Grants Office, and forward the original copies of the grant application to the grantor. The College Grants Office will maintain a complete record of the submission.

## **670.60 Receiving Awards and Grants**

Upon receipt of the fully executed award letter (i.e., signed contract, approved proposal, letter of intent, memo of understanding), the Program Manager provides a copy of the award letter that becomes the basis for the College Business Office to create a budget number. The indirect rate is associated with the newly created budget number based on [Appendix E](#) (indirect rate) which was included in the grant application.

If a grant or contract is to pay for tuition, fees, parking, or any other charges on behalf of students, a Financial Aid Program Code (FAPC) must be established. The Grant Manager initiates a FAPC request by coordinating with the Financial Aid Office. Financial Aid drafts a FAPC form that the College Business Office reviews. The Business Office transmits the FAPC form to the District Budget Office for approval and activation.

## **670.70 Amendments and Cancellations**

- a. All amendments and/or cancellations must adhere to the conditions within the agreements.
- b. The program manager may submit changes to the program that do not alter or change the fiscal structure of the grant directly to the grantor after consulting with the Grants Office.
- c. Any changes that affect the fiscal structure (dollar amount, end date, indirect, billing process, or reimbursement base) of the grant should be coordinated with the campus Business Office.
- d. The Program Manager is responsible for understanding the granting agency's requirements and ensuring adherence to those requirements. As such, changes in program manager, extensions and/or budget line items must be pre-approved by the grantor.
- e. Any changes in the total grant amount or budget line item must be communicated to the Campus Business Office.

## **670.80 Closing the Grant/Contract**

The authority to expend the funds for a grant or contract expires upon completion of the grant or contract, or at the end of the funding period.

- a. Within 90 days of the end date of the grant or contract, it is the responsibility of the Program Manager in conjunction with the College Business Office to review the financial status of the grant or contract to determine if any closing adjustments need to be made.
- b. If the grant or contract ends in a deficit (negative) position, a thorough review must be conducted by the Program Manager and the College Business Office to determine the contributing factors. The Business Office will make decisions on what actions will be taken to correct deficits on a case-by-case basis.
- c. If the grant or contract ends in a surplus (positive), the surplus will be transferred into the grant/contract reserve account when allowed by the grantor. Before surplus funds may be used/spent, the College Business Office must verify the availability of these funds. A department may request to expend any portion of a particular grant or contract surplus by completing a [Surplus Usage Request Form \(Appendix H\)](#).
- d. The College Business Office will verify that all accounts receivable, accounts payable, encumbrances, and cash general ledgers are zero before the account may be closed. If not, the College Business office will work with District Accounting to clear the accounting entries.
- e. The Program Manager is responsible for submitting any performance reports to the grantor.
- f. The College Business Office will officially close out and inactivate the budget number.

*Chancellor's Cabinet – Revision & Adoption History*

*Adopted: 4/25/2005*

*Revised: 4/25/2005*

*Revised: 3/27/2017*