NUMBER: 670
TITLE: SCD Grants and Contracts

APPENDIX B: FREQUENTLY ASKED QUESTIONS

GENERAL

1. **How do I know if a grant or contract fits into the overall mission/vision of the institution?**

All grants and contracts should support and promote the mission/vision and strategic plan for the Seattle Colleges District. Please refer to the institution's strategic plan for a complete understanding of the mission/vision and goals of the district. College faculty and staff should work with their manager and College Grants Office to develop proposals and discuss how the proposal supports the institution.

2. **What is the protocol for submitting grant proposals?**

The first step in preparing a grant application is for the program manager(s)/Primary Investigator(s) (PI) to work with the College Grants Office to complete Appendix G, *Request to Apply for External Funding,* which is used to secure college leadership approval before submitting a grant application. The College Business Office is available to consult on development of the project budget.

Prior to submission, each grant application must go through the approval process described in **Procedure 670.40**.

3. **What involvement does the Grants Office have in managing grants?**

The Grants Office has the primary responsibility for working with college faculty and staff to develop creative ideas into viable funded projects that are properly managed. The Grants Office will develop an annual plan/schedule of grant submissions that supports institutional goals, priorities, and activities; coordinate all grant proposals with the college as the applicant, fiscal agent, or participant prior to development and submission; communicate with funding agencies during the review period; maintain copies of all submitted proposals for external funding and subsequent notification of application results; support project launch and close-out with Campus Business Office coordination; participate in internal monitoring of deliverables and budgets; assist project directors to write reports; and coordinate grants training and procedures with the Campus Business Office.

4. **What involvement does the Business Office have in managing grants and contracts?**

The Business Office has the primary responsibility for reviewing budgets, invoicing the grantor/contractor, and coordinating all financial transactions. The Business Office supports the program manager/PI by providing timely and accurate financial information.

While the financial performance of the grant or contract is the responsibility of the program manager/PI, the Business Office assumes a partnering approach to ensure positive financial performance. The Business Office conducts summary level reviews of all grants and contracts during their period of performance and notifies the Program Manager/PI if something appears incorrect or unusual. The Business Office prepares a

quarterly financial report that summarizes the financial performance of all grants and contracts.

FINANCIAL

1. Why do I have to charge indirect costs?
Indirect costs are actual costs that are incurred by the college to administer a grant or contract; indirect includes costs incurred within functional areas of the college such as general and departmental administration, staff support, operations and maintenance, library and facility expenses, services provided by payroll, purchasing, accounting, business office, cashiers, human resources, etc. Indirect is calculated using a percentage of programmatic costs; refer to **APPENDIX E: Indirect Costs**, for applicable rates.

As allowed by the funder, an application/proposal's budget must always include the maximum indirect rate established by the District, per Appendix E. If, in rare instances, there is a compelling reason to charge less than the funder's allowable indirect rate, the program manager/PI must complete **Appendix F: Request to Reduce or Waive Indirect Costs** to seek approval from the College President or District Chancellor in advance of requesting approval to submit the application/proposal. Not following this order of operations could result in the application/proposal not being approved for submission.

2. What happens if the grant or contract ends in a deficit position?
Proper oversight of a grant or contract should ensure that it does not end in a deficit. If this situation does occur, the Program Manager/PI and the Campus Business Office will complete a thorough review to determine the factors that contributed to the situation. The Campus Business Office will decide how to cover the deficit. Deficits will either need to be covered by other departmental funds or will be consolidated into the grant and contract consolidation account.

3. What happens if the grant or contract ends with a surplus?
Funders generally require surpluses to be returned to the funding agency or applied to program needs through a no-cost extension approved by the funding agency.

If allowed by the funder, a grant or contract surplus will be transferred into the grant and contract consolidation account. A department may request to expend any portion of a particular grant or contract surplus by completing a Surplus Usage Request Form (Appendix H); this form requires the department to explain how the surplus was generated and how the department will use the surplus funds. The College Business Office will verify availability of these funds before surplus funds are released to the department.

4. Why do I have to fill out time and effort reports?
Federally funded grants and contracts require completion of time and effort certifications; refer to the district's "Time and Effort Reporting," Policy and Procedure 668. Completion of these certification reports helps to ensure that federal funds are used appropriately. When filling out time and effort reports, the employees are vouching for the accuracy of the amount of time they spent on the federally funded activity. Time and effort reports are also required for time that is used as match or cost share for federally funded activities. Department Managers are responsible for

maintaining records of "Time and Effort" for employees who work on grant and contract activities.

5. How do I get grant or contract financial information?
The following department month end reports are available in the public folders in Outlook: Salary and Wage (BA1211), Detailed Revenue (GA2103), Budget Status (PM1201), Grants & Contracts/Capital Projects (PM1209), and Monthly Operations (GA3230). Month end reports are available after the 10th day of the subsequent month. The same information may be accessed online through FMS Query. If you are not receiving this information or do not know how to access it, please contact your College Business Office.

OPERATIONAL

1. When do I need to request a FAPC (Financial Aid Program Code)? How does a FAPC work?
If a grant or contract includes funds to pay for tuition, fees, ID, parking, or any other charges associated with student accounts. The Program Manager/PI must initiate a FAPC request by coordinating with the Financial Aid Office and the Campus Business Office. Use of a FAPC is the only way to pay student charges through cashiering. A FAPC is a three digit alphanumeric code tied to a budget number. When cashiers make payments using a FAPC, charges (expenditures) are automatically posted to the designated budget.

2. How often should the budgets be reconciled? What detailed information should be monitored on a monthly basis?
The Program Manager/PI must reconcile budgets monthly. Monthly Salary and Wage reports should correspond with eForms and timesheet records for the budget. Monthly expenditure reports should reflect all the charges made by the department in the given month. Financial statements such as expenditure reports (described above in Question 5 under the Financial section) are available on the 10th day of every month for the previous month's activity. If information is missing or confusing, contact your Campus Business Office.

3. How should departments monitor expenditures?
Each department may establish its own system for tracking, filing, and monitoring budgets, **but records must be reconciled to the district's financial management system (FMS) reports, which are considered official college records.** If there are discrepancies between these official records and department records, or if you are missing any backup for transactions, please contact the Campus Business Office.

4. What "red flags" do I need to look for when reviewing budget printouts?
a) Tuition and instructional salary charges on the same budget
b) Benefits charges with no salaries, or salary charges with no benefits
c) Charges on the budget after the contract end date
d) Expenditures greater than the amount of the grant or contract
e) No expenditures on budget report
f) Expenditures that are not allowed by the grant or contract.
g) No reimbursement appearing under S for grants that are billed as interagency reimbursements
h) No Budget Report

i) No indirect charges appearing in the budget report (in cases where they are allowable)