



GRANT MANAGEMENT

At

LOYOLA UNIVERSITY NEW ORLEANS

Revised: 8/08, 2/11, 8/12, 8/13, 2/14, 12/24

POLICY OVERVIEW

The Grant Management Policy applies to any funds that are received from external parties for a specific use, purpose, or project. This includes but is not limited to Federal, State, or local government grants; grants from nonprofits, and donor gifts that are restricted in purpose. Any deviations from this policy should be approved in writing by the Vice President of Finance, who will consult with the appropriate management stakeholders. Should any part of this policy be in conflict with applicable laws, regulations, or terms and conditions of a specific grant, the most restrictive guideline should be applied.

PRE-AWARD POLICIES

Applying for Grants:

Faculty and staff must contact the Office of Grants and Sponsored Programs (OGSP) to complete a Clearance Package prior to the submission of the grant application. The Clearance Packet must be signed by the Principal Investigator/Project Director (PI/PD), the College Dean or Department Head, the OGSP, the Controller, and the Provost. The Clearance Package should include a project overview, the time period of the project, a detailed program budget including any required or proposed matching contributions, and any other material terms and conditions of the grant. Please note that grant budgets including payroll costs should also include a line item for fringe benefit costs when allowed by the grantor.

Once a grant is awarded, the grant agreement can only be signed by the divisional Vice President, the Provost, or the President. The PI/PD, Department Head or Dean does not have signatory approval to sign grant contracts/agreements. Copies of the grant agreement and final approved grant budgets should be sent to the OGSP and the Senior Accountant for Grants.

Applying for Grants with Subrecipients/Subawards:

To ensure compliance with university policies as well as federal requirements, as they relate to the monitoring of subrecipients for federal awards, recipients and subrecipients must comply with the Code of Federal Regulations §200.303.

Subrecipient/Subaward Agreement/Contracts

When a lead entity makes an award to a subrecipient, the Federal award information and applicable compliance requirements, including applicable special conditions, must be clearly identified in the subrecipient award agreement. Pass-through entities must ensure subaward documents include the following information at the time of the subaward. If any of these data elements change during the period of performance, the changes must be included in subsequent subaward modifications. The subaward must include the following information, as applicable:

- Federal Award Identification;
- Subrecipient Name (which must match the name associated with its unique entity identifier);
- Subrecipient's DUNS number;
- Federal Award Identification Number (FAIN);
- Federal Award Date;
- Subaward Period of Performance Start and End Date;
- Total Amount of Federal Funds Obligated to the Subrecipient;
- Total Amount of the Federal Award;
- Federal Award Project Description;
- Name of the Federal Awarding Agency, Pass-through entity, and contact information for the awarding official;
- Catalog of Federal Domestic Assistance (CFDA) number and name;
- Identification of whether the award is Research and Development (R&D);
- Indirect cost rate for the Federal award;
- All requirements imposed by the lead entity on the subrecipient so that the Federal award is used in accordance with federal statutes, regulations and the terms and conditions of the Federal award;
- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the lead entity to meet its own responsibility to the DOJ grant-making component including identification of required financial and/or performance reports;
- Indirect cost rate to be used by the subrecipient (either a federally-approved rate, a rate negotiated between the pass-through entity and the subrecipient, or the de minimis indirect cost rate);
- A requirement that the subrecipient permit the lead entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of 2 C.F.R. §200; and
- Appropriate terms and conditions concerning closeout of the subaward.

POST-AWARD POLICIES

Roles:

Principal Investigator (PI)/Project Director (PD) is responsible for the following post award responsibilities for all federal, state and private grants and contracts. This includes:

- Project Management
- Compliance with approved budget and executed grant/award agreement
- Review and approval of grant expenditures for allowability
- Submission of interim and final technical and progress reports
- Processing and maintaining the proper documentation to support programmatic outcomes and expenditure charges to sponsored projects.
- Completion of Time and Effort Reports, as necessary

All externally funded programs administered on behalf of Loyola University New Orleans shall be assigned to an eligible PI/PD. Full-time faculty, staff and administrative employees are eligible to serve as a PI/PD.

Office of Grants and Sponsored Programs is responsible for the following post award responsibilities for all federal, state and private grant and contracts. This includes:

- Executing the Grant Agreement
- Preparing a final amended budget, as necessary
- Providing support for budget adjustments
- Submitting narrative reports
- Reviewing time and effort reports
- Requesting Extensions
- All necessary grantor communications
- Provide additional post-award support, as needed

Office of Financial Affairs is responsible for the following post award responsibilities for all federal, state and private grants and contracts. This includes:

- Obtaining executed grant contract/agreement and internal clearance package
- Creating and communicating Grant Account Numbers
- Preparing Financial status reports and invoices
- Preparing ACH drawdowns
- Processing Cost transfers <https://operations.loyno.edu/financial-affairs/forms/online-transfer-request>
- Approving expenses for grants
- Financial audits
- Sub-recipient monitoring
- Completing close out documents

GRANT ACCOUNT ESTABLISHMENT PROCEDURES

It is critical that all requirements of each individual grant be documented prior to the grant beginning. The grant establishment procedure makes certain that the PI/PD knows the rules and other requirements of the grant. Since all grant proposals are submitted through OGSP, all grant award documents should be sent to OGSP prior to the establishment of an account in Ellucian Colleague.

Grant award documents should include:

- Executed Grant Proposal Clearance Package
- Award Letter or fully executed contract including all grant terms and conditions
- Approved budget
- Schedule of required interim and final progress and financial reports
- CFDA number for federally funded grants or contracts

Under exceptional, infrequent situations, a PI may request that an account be established prior to the final execution of the contract. Please note that, unless a contract is fully

executed by both the university and the funding agency, the funding agency has no obligation to reimburse the University if an award is not subsequently made, or is made for a lesser amount than expected. Therefore, special procedures must be followed prior to the approval and establishment of the internal grant account.

- 1) Requests to establish an account should be submitted in writing to the Office of Grants and Sponsored Projects who will in turn submit the request to the Financial Affairs Department. The request should include an explanation as to why the expenditure is necessary for the effective fiscal and programmatic conduct of the project.
- 2) The grant must have been approved by the University Pre-Award Internal Grant Clearance Process.
- 3) An approved budget must be established based upon the agency approved award.
- 4) A contract must be submitted by the awarding agency to the Office of Grants and Sponsored Programs for review. The Grants and Sponsored Programs Office must submit the completed Internal Grant/Contract Clearance Form, a copy of the contract, and a copy of the approved budget to the Financial Affairs Department.
- 5) Once the Financial Affairs Department receives the documents referenced above, the Dean of the College or Vice President of the Division will be required to approve the establishment of the account. In the event that the funding agency does not execute the agreement, or the original agreement is altered in amount or content, any expenditures made from the account will be the responsibility of the college/division.

SPENDING AUTHORITY

Project Directors/Principal Investigators (PD/PI) are aware of the items requested in a grant application. They are responsible for proper completion of the grant and have the professionalism to make every attempt possible to complete the grant, making any adjustments in actual items to be bought as the situation dictates. The (PD/PI) is responsible for the proper spending of grant funds. The (PD/PI) should understand the obligations entered into when funds are awarded and that person has the knowledge to make adjustments to items noted in the grant application.

Different grantors have different rules with respect to rebudgeting grant funds. The Senior Accountant can assist (PI/PD) in determining the rebudgeting requirements when rebudgeting is needed. It is the Principal Investigator who must seek permission for the rebudgeting, if required. All approvals for rebudgeting must be received in writing and a copy provided to the Senior Accountant and the Office of Grants and Sponsored Programs.

COMPENSATION FOR SPONSORED PROGRAMS

It is the policy of Loyola University New Orleans to comply with all federal and sponsoring agency regulations and agreements with sponsors relating to salary support under sponsored projects. Direct charges to sponsored projects must reflect effort expended during the project period and must be allowable per the terms and conditions of the award and within the available project budget. The amount charged to a sponsored project should reflect the work performed and should be reasonable in relation to 100 percent of total effort for all activities within an effort reporting period. Sponsor restrictions on salary costs, including limits on academic year time and salary caps, may limit allowable direct compensation expenditures.

Federal Grants:

In accordance with §200.430, federal regulations require that compensation for personal services charged to a grant be documented with adequate records and reflect the total activity for which the employee is compensated, not exceeding 100 percent of compensated activities (for IHEs, this is Institutional Base Salary (IBS)). The records must be incorporated into the official records of the University, they must reasonably reflect the activity for which an employee is compensated, and the records must encompass both sponsored programs and all other activities on an integrated basis. The sections below are extracted from the federal regulations:

- (i) ***Institutions of Higher Education (IHEs).*** This paragraph provides guidance specific to only IHEs.
- (1) ***Determining allowable personnel costs.*** Certain conditions require special consideration and possible limitations in determining allowable personnel compensation costs under Federal awards. Among such conditions are the following:
 - (i) Allowable activities. Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etcetera), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.
 - (ii) Incidental activities. Incidental activities for which supplemental compensation is allowable under the written institutional policy (at a rate not to exceed institutional base salary) do not need to be included in the records described in paragraph (g). To charge payments of incidental activities directly, such activities must either be expressly authorized in the Federal award budget or receive prior written approval by the Federal agency.
- (2) ***Salary basis.*** Charges for work performed on Federal awards by faculty members during the academic year are allowable at the institutional base salary (IBS) rate. Except as noted in paragraph (i)(1)(ii), in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of the faculty at an institution. IBS is the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on

research, instruction, administration, or other activities. IBS excludes any income an individual earns outside of duties performed for the IHE. Unless there is prior approval by the Federal agency, charges of a faculty member's salary to a Federal award may not exceed the proportionate share of the IBS for the period during which the faculty member worked on the Federal award.

(3) ***Intra-Institution of Higher Education (IHE) consulting.*** Intra-IHE consulting by faculty should be undertaken as an IHE responsibility requiring no compensation in addition to IBS. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty members is in addition to their regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are expressly authorized in the Federal award or approved in writing by the Federal agency.

(4) ***Extra service pay.*** Extra service pay typically represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay results from Intra-IHE consulting, it is subject to the same requirements of [paragraph \(b\)](#) of this section. It is allowable if all of the following conditions are met:

- (i) The IHE establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.
- (ii) The IHE establishes a consistent written definition of work covered by IBS, which is specific enough to determine conclusively when work beyond that level has occurred. This definition may be described in appointment letters or other documentation.
- (iii) The supplementation amount paid is commensurate with the IBS pay rate and additional work performed. See [paragraph \(i\)\(2\)](#) of this section.
- (iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the IHE.
- (v) The total salaries charged to Federal awards, including extra service payments, are subject to the standards of documentation as described in paragraph (g) of §200.430.

(5) ***Periods outside the academic year.***

- (i) Except as specified for teaching activity in [paragraph \(i\)\(5\)\(ii\)](#) of this section of the federal regulations, charges for work performed by faculty members on Federal awards during periods not included in the base salary period must be at a rate not more than the IBS.
- (ii) Charges for teaching activities performed by faculty members on Federal awards during periods not included in IBS period must be based on the written policy of the IHE governing compensation to faculty members for teaching assignments during such periods.

(6) ***Part-time faculty.*** Charges for work performed on Federal awards by faculty members having only part-time appointments must be determined at a rate not more than that regularly paid for part-time assignments.

(7) ***Sabbatical leave costs.*** Rules for sabbatical leave are as follows:

- (i) Costs of leaves of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable, provided the IHE has a uniform written policy on sabbatical leave for persons engaged in instruction and persons engaged in research. These costs must be allocated equitably among all related activities of the IHE.
- (ii) Where sabbatical leave is included in fringe benefits for which a cost is determined for assessment as a direct charge, the aggregate amount of such assessments applicable to all

work of the institution during the base period must be reasonable in relation to the IHE's actual experience under its sabbatical leave policy.

(8) ***Salary rates for non-faculty members.*** Non-faculty full-time professional personnel may also earn “extra service pay” in accordance with the IHE's written policy and paragraph (i)(1)(i).

Non-Federal Grants:

Personnel costs should follow the same procedures as noted above and be consistently applied for all faculty and staff in accordance with the external funding agency policies and the IHE's written policies.

Supplemental Compensation

Additional compensation, or extra service pay, refers to salary paid in excess of the IBS for work that is clearly in addition to regularly assigned or contracted duties. Extra service pay for work performed should comply with the external funding agency policies, IHE's written policies and must be **clearly documented as supplemental compensation in the proposed grant budget and document in detail the work performed outside of the regular position as part of the pre-award process.** This must be completed with OGSP. Non-exempt staff members are not eligible for additional compensation from grants and must be paid overtime at the appropriate rate of pay in accordance with Human Resources written policies. The rate of pay shall not exceed the hourly equivalent of the individual's regular institutional base salary.

Proposed Salaries for All Sponsored Projects

All University employee salary increases are awarded based upon IHE policies. These policies do not include automatic cost-of-living increases. However, for budgetary purposes in the preparation of multi-year proposals, the salary support for faculty, staff and students participating in the sponsored project should be incrementally increased for each fiscal year. The Office of Sponsored Research will provide advice on the appropriate rates to be used in this calculation during the pre-award process. If raises are not awarded in accordance with consistently applied IHE policies, then the PI/PD should amend the grant budget.

Time and Effort Reporting

Faculty and staff members on Federal Grants must certify that the work effort was performed as indicated and paid. Forms should be submitted to the Office of Grants and Sponsored Programs who will review to confirm that programmatic objectives and reporting has been completed. Additional compensation is accounted for separately and is not captured in effort certification and reporting procedures. Staff members should complete Time and Effort reports no less frequently than monthly. Faculty members should complete Time and Effort reports no less frequently than after each academic semester (fall, spring, summer).

COST SHARING REQUIREMENTS

Matching, cost sharing, cost contribution, and in-kind are all terms used to refer to the share of the project costs which are required to be borne by sources other than a particular sponsoring agency's funds in support of a project. In some programs, legislation or regulation mandates these requirements. In other programs, the grantor wants a demonstration of the University's

commitment to a project by asking the University to share in the project. For Loyola, the method and source of cost sharing is required to be shown and approved for all grants at the time the grant application is prepared and prior to submission to the grantor. All costs used to satisfy the cost sharing requirements must be documented by the University and shall be subject to audit. The University often uses release time given to Principal Investigators and/or other support staff to meet this requirement. Labor will be documented through Personnel Notification Forms, Timesheets, and the Time and Effort Grant Activity Report. These reports should be submitted to the Office of Grants and Sponsored Programs each academic semester for faculty and monthly for support staff.

INDIRECT COSTS

Federal Grants:

Indirect Costs, as defined in 2 CFR § 200.1, means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The University has elected to use the currently approved de minimis indirect cost rate for federal grants. This rate is meant to reimburse the University for overhead costs associated with the grant activities that are not allowed to be charged as direct costs. These costs include, but are not limited to payroll costs for central service departments, facilities cost, utilities, depreciation, equipment and capital improvements, etc. The Senior Accountant is responsible for charging indirect costs in accordance with the approved budget award and reporting periods for each grant.

Non-Federal Grants:

Indirect costs shall be charged at the funder's approved rate. If no rate is specified, the approved de minimis indirect cost rate shall be applied.

NOTE: Written approval to waive indirect costs shall be submitted to the Office of Grants and Sponsored Programs at the time of grant submission. The OGSP will review the request and submit to the VP of Finance for approval. Indirect Costs shall not be applied as Cost Sharing or Matching unless **required** by the funding agency. These types of costs need to be eliminated from the budget proposal process.

SUBRECIPIENT MONITORING

When a subaward is granted to a subrecipient, the PI should create a written monitoring plan to review the work perform and monitor the subrecipient's compliance with the grant's terms and conditions (see 2 C.F.R. § 200.33). The monitoring plan should include the following:

- Risk assessment of the subrecipient including the following items
 - Financial health of sub-recipient
 - Subrecipient's prior experience with the same or similar sub awards
 - Results of previous audits
 - SKE of subrecipient's staff
 - The extent and results of Federal (or non-federal) monitoring of subrecipient
- Frequency of Monitoring activities

- Type of activities- in person, desk monitoring, etc.
- Reviewing financial and performance reports submitted by the subrecipient;
- Following-up and ensuring the subrecipient takes action to address deficiencies found through audits, onsite reviews, and other means, and
- Issuing a management decision for audit findings pertaining to the award (see below, and 2 C.F.R. § 200.521 (c)).

Some of the mechanisms that may be used to monitor subrecipient activities throughout the year include regular communication with subrecipients, and appropriate inquiries concerning program activities; performing subrecipient site visits to examine financial and programmatic records and observe operations; and reviewing detailed financial and program data and information submitted by the subrecipient.

DRAWING FEDERAL FUNDS

Loyola University New Orleans draws down federal funds approximately once a month, unless the federal granting agency requires another way of accessing their funds. The drawdown process is performed by the Controller or their designee in accordance with applicable federal regulations.

INVENTORY

Loyola University New Orleans maintains an inventory listing for all equipment items acquired in excess of \$5,000 that was purchased with federal funding.

Documentation Includes:

- A description of the equipment.
- Manufacturer's serial number, model number, or other identification number.
- Source of equipment funding, including account number, and purchase order number.
- Unit acquisition date and cost.
- Location and condition of equipment.

FEDERAL GRANT PRIOR APPROVAL REQUIREMENTS

The cost principles for educational institutions (§ 200.407) require prior approval from the grant agency for certain items. The reasonableness and allocability of certain costs under Federal awards may be difficult to determine. To avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, the recipient may seek the prior written approval of the Federal agency before incurring the cost. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that cost unless prior approval is specifically required for allowability as described under certain circumstances in the following sections:

Prior approval is required for the following items:

- Section 200.306 Cost sharing;
- Section 200.307 Program income;
- Section 200.308 Revision of budget and program plans;
- Section 200.333 Fixed amount subawards;
- Section 200.430 Compensation—personal services, paragraph (h);
- Section 200.431 Compensation—fringe benefits;
- Section 200.439 Equipment and other capital expenditures;
- Section 200.440 Exchange rates;
- Section 200.441 Fines, penalties, damages and other settlements;
- Section 200.442 Fundraising and investment management costs;
- Section 200.445 Goods or services for personal use;
- Section 200.447 Insurance and indemnification;
- Section 200.455 Organization costs;
- Section 200.458 Pre-award costs;
- Section 200.462 Rearrangement and reconversion costs;
- Section 200.475 Travel costs.

FEDERAL GRANT UNALLOWABLE COSTS

The cost principles for educational institutions (§200.410) list certain costs that are unallowable on grants, either as direct or indirect costs. Principal Investigators/Project Directors need to be aware of them from a direct cost standpoint.

Unallowable items:

- Alcoholic beverages
- Alumni Activities
- Bad debt expense
- Contingencies
- Contribution and donation expenditures
- Entertainment expenditures
- Fines and penalties
- Fundraising expenses
- Goods or services for personal use of employees
- Housing and personal living expenses
- Interest and other financial costs
- Lobbying expenses
- Selling and marketing expenses
- Student activity costs
- Trustee travel and subsistence costs
- Charges representing the nonrecovery of costs under other grant agreements.

The University also receives privately sponsored Awards that also have defined unallowable costs. For this reason, (PIs/PDs) should always carefully review the Notice of Grant Award terms that are usually sent with the Award letter. If Award Terms and Conditions are not sent to the PI/PD with the Award letter, private sponsors have web sites

with beneficial information available.

GRANT EXPENSE TRANSFERS

Whenever possible grant expenses should be made directly to the assigned account, however, occasionally it is more feasible to transfer the expenses incurred directly by a department to the grant account. These expense transfers should be made to the Office of Financial Affairs using the Department Transfer Request Form at:

<https://operations.loyno.edu/financial-affairs/forms/online-transfer-request>

CLOSE OUT PROCEDURES

Several actions need to occur every time a grant closes out. A review at close out time can eliminate problems and questions that might appear on audit.