



Grant Award Management, Compliance & Procedures Manual

September 2021

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Acknowledgement

Much of the material and structure of this manual was obtained from the Piedmont Virginia Community College's *Handbook of Grant Award Management and Compliance*. We are grateful for this information.

I. Introduction and Objectives

The development and management of grants at the College of the Marshall Islands (CMI) is an alternative source of funding opportunities to support initiatives that solve college and island-wide problems. The CMI's grant-funded projects require sound programmatic and fiscal management within the context of applicable federal and state regulations, grantor award terms, and CMI policies and procedures.

The purpose of this handbook is to assist grant Project Directors (also called Principal Investigators (PIs) in the context of federal grants), Deans, Business Office staff, Administrators, and other personnel with the programmatic and fiscal responsibilities of administering grant awards, including awards that take the form of Cooperative Agreements in the federal context. The information presented here is primarily intended to help Project Directors lead and complete successful external-funded projects while complying with the policies and procedures of CMI and with the requirements of the funding agencies. Equally important, the handbook establishes clear levels of responsibility and accountability for grant award management functions. The handbook is part of the policies of CMI, which requires personnel involved with the administration of grants to read, understand, and adhere to the provisions of this handbook.

That said, the intent of the CMI Grants Office in creating this handbook is not to provide a comprehensive or exhaustive description of all applicable policies, procedures, terms and regulations, but to provide a well-structured overview with pointers to other relevant materials. This content in no way preempts or abridges any regulations, policies, or terms of any applicable funding agency or US federal or RMI National entity. All established policies and procedures of CMI must be followed in administering a grant project, whether the task is hiring personnel, signing contract documents, subcontracting, completing travel requests, purchasing goods or services, or the like.

It is the role of the Grants Office to provide oversight of grant administration and assist grant project teams with award management and compliance. The Vision and Mission of that office are:

Vision

Wholeheartedly support grant activities that have a positive, significant, and long-lasting impact on the inhabitants of the Republic of the Marshall Islands.

Mission

Providing skilled, proactive, and compliant grants management support for CMI's educational priorities.

This manual starts with the basics of applying for a grant so that a Project Director can get off on the right foot.

II. When Considering Applying for a Grant

Applying for and winning a grant can be a great way to engage in projects that fit your passion and serve the needs of others or to society in different forms. That said, grant writing is both an art and science and requires:

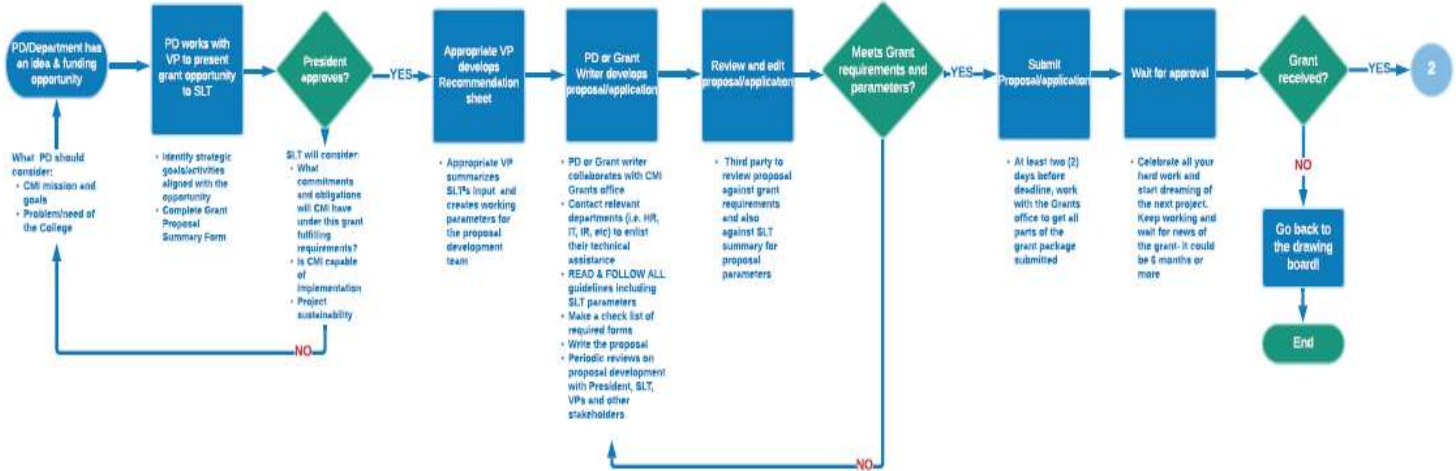
1. Read the grant application and highlight all the critical aspects that must be met.
2. Decide if the grant is something you have at least a 20% chance of winning. 1 win in 5 applications is about typical for many Project Directors who don't have years and years of practice or a team of writers and support persons behind them. It is important to try your best with each application and learn from the feedback you will get. Try your best to not get discouraged and always carry project ideas in your back pocket for when a grant call is made.
3. Work with your Vice President to present the grant opportunity to the Senior Leadership Team for consideration. If you do not directly report to a VP, you should work with your supervisor who should then bring it to their respective Vice Presidents.
4. Decide if you are the type of person who can start a grant application and finish the project you are proposing. If you are not the leader type, but are interested in a grant topic, find a trusted teammate and work together on the application and the project. There is no shame in not doing things yourself.
5. Contact the Grants Office and enlist their help in reviewing and putting the application deadline on their calendar. Missing a submission deadline by even 1 second is enough to have all your hard work tossed aside. Timing, as well as good writing, is critical.
6. Contact relevant departments (i.e. HR, IR, IT, Department Chairs, etc.) and enlist their help with the proposal when necessary. Their technical assistant is important to ensure what is included in the proposal is in line with CMI policies, activities, etc.
7. Make a check list of the forms required and sections of the project narrative if they are not provided in the application form.
8. Write down the submission deadline and put a note in the front of your desk. Finish the grant application at least 3 days before it is due so it can be submitted easily after a final read and double checking the checklist. Take note of the due date and time as most have a specific timestamp of the deadline, either international time or local time zone.
9. If the grant is due in January or February and there are frequent holidays between Thanksgiving and the first or second week of January, it is important to put in time on the grant application during the holidays. Good applications can't be written 5 days before it is due.
10. Realize that any technical mistake - wrong font, wrong margins, may get your application rejected without further consideration. There is no room for poor quality submissions in the grant game, so don't take details lightly.
11. Find colleagues that will co-write the grant with you in exchange for their participation or payment; as allowed. You can also work with your Vice-President to budget for a technical consultant to assist with the grant writing.
12. Write an outline of the narrative by putting in the required section headers. Make sure the format of the outline is consistent with the mandated font, line spacing, and margin requirements so these do not need to be fixed later.
13. Start filling in the sections the best you can - just write, write, and rewrite. Read sentences aloud and look for and fix issues. Think of this writing process as if you were shaping art in clay - it just takes time to get the shape right.
14. Keep checking your deadline notice.
15. Once you are at over 90% done, about 8-10 days before the submission deadline, find someone who has a critical eye to read over the draft application. Don't get your feelings hurt if you see a lot of mark-

ups - this person may have just saved your application. Be thankful and make the changes that make sense.

16. While your draft is being reviewed, start working on the required forms with the help of the Grants Office. Use a spreadsheet to work out the budget before putting it into the forms - you will spot problems better in a spreadsheet.
17. Finally, at least two (2) days before the deadline, work with the Grants Office to get all the parts of a grant package submitted.
18. Celebrate all your hard work and start dreaming about the next project while your application is under review. Do not stop working and just wait for news of the grant - it could be 6 months or more.

GRANT PROCEDURES FLOWCHART

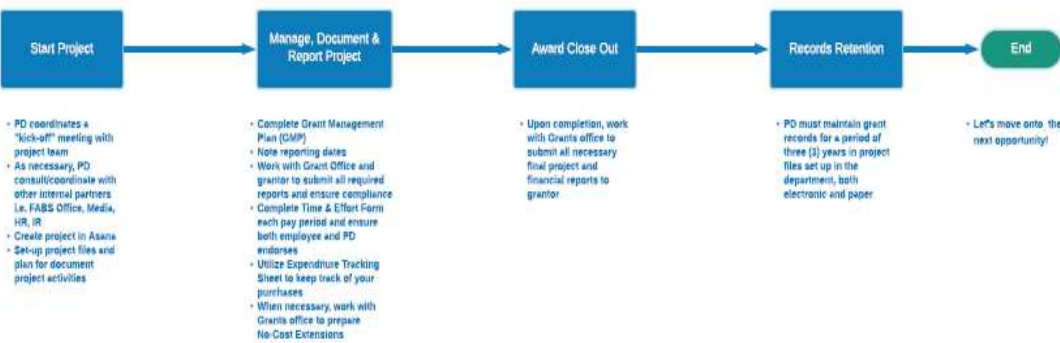
1 PRE-AWARD Approval & Developing proposal process



2 AWARD Grant Award Received



3 POST AWARD Grant Project Execution



https://lucid.app/lucidchart/invitations/accept/inv_a38df1ba-45b6-4869-a815-991d7fb2ce3e

III. Compliance Environment

CMI personnel involved in the programmatic and fiscal management of grants are required to comply with multiple tiers of governmental authorities. These are:

A. US Federal Regulation

Federal regulations applicable to grants (and cooperative agreements) awarded to institutions of higher education are set forth in the following circulars issued by the Office of Management and Budget (OMB) within the Executive Branch:

OMB Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200).

Title 2 Subtitle A Chapter 2 Part 200

[https://www.ecfr.gov/cgi-bin/text-](https://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

[idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

B. RMI National Policies and Legislation

These include:

- Procurement Regulations 2020
- The Financial Management Act 1990
- The Procurement Code Act 1988

C. CMI Policies and Procedures <https://cmi.edu/college-policies/>

- Accounting Policies and Procedures
- Budget Guide and Policy
- Financial Aid Policy
- Human Resource (HR) Policy
- Travel Policy

D. Grantor Terms and Conditions

A grantor's Grant Award Notification may state certain terms and conditions or refer to certain regulations for example, the "Education Department General Administrative Regulations" of the U.S. Department of Education, or policy or award management manuals such as the National Science Foundation's "Award and Administration Guide." It is important that employees leading the grant are thoroughly informed on these conditions to avoid any implementation, compliance, or audit issues.

E. Roles and Responsibilities

Different CMI employees have various responsibilities within the realm of grant management. These positions include:

Executive Vice President: The Executive Vice President is responsible for providing leadership and administrative oversight over CMI's long term plans, as well as strategic planning development, implementation, and monitoring. The Grants Office is under the guidance of the Executive Vice President.

Grants Coordinator: The Grants Coordinator provides oversight of grant administration and assists grant project teams with award management and compliance. The Grants Coordinator is the focal point for all grant-funded projects at CMI.

Grant Writer: Hired on an as needed basis, a specialized grant writer is responsible to research, prepare and develop grant proposals.

Grant Reviewer: Hired on an as needed basis, the external reviewer will be responsible to review the grant activities and reports to verify that objectives have been met.

Principal Investigator/Project Director: The Principal Investigator, or Project Director, has full authority to administer a grant-funded project and the responsibility for implementing project activities with grant funds to achieve stated objectives within the confines of applicable grant terms and appropriate regulations.

CMI Financial Affairs & Business Services (FABS): CMI FABS has financial oversight for the management of financial affairs at the College including general ledger, student, vendor, accounts receivable, accounts payable, procuring of goods and services, and management of CMI's Commercial Services. This office is a critical component to managing all grants' finances.

Director of Institutional Research, Planning and Institutional Effectiveness: This office collects and manages data to provide information with in-depth analyses to fulfill reporting requirements.

IV. Overview of Award Management Cycle

Every grant is different, though those grants from one funding agency may have similar forms and conditions. The sections below provide a general outline of the typical process, but there may be exceptions. This is the reason that a particular grant's conditions and processes must be known by the Project Director and the supporting team members. This list assumes that a Project Director will be given the grant they applied for.

A. Pre-award Process

In anticipation of making an award, a grantor may ask the applicant - CMI - to submit additional information, modify one or more aspects of the project design or budget, or to clarify information presented in the application. In the event such communication occurs, it may include negotiation of the award amount and special conditions, particularly with US federal awards. Such negotiations are coordinated by the Grants Coordinator, who will involve the Project Director, Dean, and other administrators as warranted.

B. Award Process

To initiate an award, the grantor (funding organization) will issue a Grant Award Notification (GAN). In the instance of US federal awards, the GAN takes the form of an extensive contract. For CMI, the GAN may be in a letter form or even an email. The Grants Coordinator reviews each GAN, and involves other administrators as appropriate, to ensure the award conditions are acceptable to CMI. Once signed or accepted by the CMI through letter or otherwise, the GAN is a legal document or contract between the parties. CMI is bound to comply with its terms. In the role of grantee, CMI is committed to meeting the terms and conditions of each grant award and providing effective stewardship of all grant funds.

C. Post-award Process

Once a GAN is accepted and executed, performance of the grant project commences. Grantee responsibilities typically include the following:

1. Managing and Monitoring the Award

The Project Director has full responsibility to manage the day-to-day operations of the project and accomplish targeted outcomes. This responsibility includes overall management of the grant budget. Once the GAN is received, the Grants Coordinator will notify the Project Director to complete a Grant Management Plan (GMP) (Exhibit A). The Grants Coordinator will also coordinate quarterly reviews of each grant project by the designated grant oversight team (typically includes the Project Director; his/her Dean, Director, or Vice President; and the Grants Coordinator). It is critical that the Project Director accomplishes the tasks and deliverables set out in the project narrative, and to meet all the timelines before the stated due date. Weekly or biweekly coordinating meetings with the team members going over the promised timelines and deliverables will help keep the project implementation on track.

2. Monitoring Expenditures

Regular monitoring of grant expenditures is important to ensure that project spending is in accordance with the project activities. It is mandatory to keep hard copy and electronic copy files for all grant expenditures. Record keeping of all expenditures is in accordance with US Federal Government and RMI Government audit requirements. A Grant Expenditure Tracking Sheet (Exhibit B) is provided to track project spending. To seek further clarification on grant revenues, refer to CMI's Accounting Policies and Procedures (<https://cmi.edu/college-policies/>).

3. Personnel Time and Effort

The Time and Effort (T&E) of personnel working on grant activities funded by US federal and/or selected foundation grants and other international grants must be documented per the Fiscal Management section of this handbook. A Grant Exempt Time and Effort Reporting Form (Exhibit C) is provided for recordkeeping. Note that recent audits at other universities have identified Time and Effort reporting as weaknesses and have required the university to pay back that money from their own funds.

4. Payment (Reimbursement or scheduled payment)

US federal awards are handled on a reimbursement basis; meaning that CMI must first pay the cost of an expenditure and then seeks reimbursement from the granting agency. The payment function is handled cooperatively by the Grants and FABS offices. Thus, it is critical that expenditures are forwarded to the Grants and FABS Office as soon as possible so that CMI will not be out-of-pocket for very long. Other grantors issue payments to CMI before grant activities begin, following a payment of schedule. Payments are either paid in full or partially made throughout the grant cycle, depending on what's written out in the award agreement.

5. Subcontracting

The terms of most grant agreements explicitly state the grant recipient is responsible for the compliance of any sub-recipients that it engages in a project. Normally, sub-contracts need to be approved by the grantor as part of the grant application, but not in all cases. In addition, the "law of privity" in contract law makes the grant recipient responsible for parties it subcontracts with. Thus, any grant subcontracting at CMI, and subsequent Grant Management Plans, must take this potential liability into consideration. It is important that the Project Director understand the responsibilities of a sub-contract - all subcontractors must perform the duties outlined in the contract and within the timeline and budget.

6. Prior Approval Requests

Certain changes to grant projects such as replacement of key personnel (e.g. the Project Director/ Principal Investigator), scope of work, budgets, extensions, and the like, require prior approval by the grantor. Project Directors should consult the Grants Coordinator regarding these issues, and the Grants Coordinator will in-turn coordinate these change requests with the grantor. The Project Director and CMI administrators need to communicate changes to the granting agency on a timely basis in order to ensure continuity of the project during times when there is a transition in critical project personnel.

7. Progress Reports

Virtually all grantors require grantees to submit periodic reports of progress for their projects, although sometimes the requirement is only for a final report at the end of the project. The Grants Office maintains a report notification system within the College grants database and issues 30- to 60-day advance notice by email to Project Directors and their supervisors (Dean, Director, or VP) of grant reports due. Project Directors are responsible for completing the reports and obtaining the approval of their supervisor (Dean, Director, or VP) and the Grants Coordinator well ahead of the due dates. Even if the reports may only be due at the end of a grant, it is critical that timelines are being followed and achievements tracked on a regular basis to make it easy to write a comprehensive final report.

8. Financial Reports

US federal granting agencies require submission of periodic financial status reports. This responsibility is generally handled by the Grants Office. In the event a grantor requires financial information to be included in progress reports, the Project Director must consult with the Grants Office about the financial information to be reported. In either case, the responsible party must ensure the financial reporting is submitted within

the timeframe required by the grantor or there is a risk of losing the grant and being put on a grants "watch list."

9. Documentation

Project Directors must ensure proper documentation of programmatic and financial activities of a grant project is regularly maintained for the purpose of both internal operations and audits by the RMI Government and US federal granting agencies.

Programmatic activities to document include:

- Evidence of activities completed, e.g., student recruiting events conducted, professional development completed, or consortium or institute meetings held including the agendas and people in attendance.
- Data collected for measuring outcomes, e.g., the number of students enrolled and completing a program, the number of internships provided, or the number of scholarships awarded; all analyses associated with these measurements; and all project evaluations.

Financial activities to document include:

- Records of all expenditures: The standard documentation procedures in the FABS Office apply to grant expenditures; however, Project Directors should also maintain copies (paper and electronic copy) of all purchase orders, credit card transactions, or other methods of expending grant funds in their project files.
- Time and effort records of personnel funded by the grant.
- All travel related receipts documents must be maintained, e.g. receipt of Departure Fee, transportation fees (tax/bus fares) or car rental invoice/receipt, boarding passes, trip report, and all other documents related to travel. Receipts for meals and lodgings are not required if the traveler was provided full per diem. In the case lodging/transportation was paid through CMI, it is required that a receipt be provided as proof of check-in. Refer to CMI Travel Policy for comprehensive coverage of travel-related requirements (<https://cmi.edu/college-policies/>).

10. Records Retention

For US federal grants, grantees generally must maintain financial and programmatic documents (those referenced in "9. Documentation" above), and all other records that are required by the terms of a grant, or may be reasonably considered pertinent to a grant), for a period of three (3) years from the date of the final project report. The Project Director and the FABS Office, per the documentation stipulations under required Documentation, are responsible for maintaining grant records. The Project Director maintains grant records in the project files set up in the department, whether paper or electronic; the FABS Office maintains grant records per its record-keeping procedures.

11. Audits

There are multiple levels of audits applicable to recipients of US federal grants:

Federal

- 1) Grantees must provide federal granting agencies, or auditing companies, access to the documents, papers, and other records of the grantee organization for the purpose of conducting audits and examinations of grant funded projects. A federal agency may send representatives onsite to CMI if deemed necessary to conduct an audit or it may conduct a "desk audit" in which it requests the CMI to provide copies of all grant programmatic and financial documents covering a period of time during the grant project. The desk audit may be conducted in the midst of a project or at the end, at the option of the agency.

- 2) Educational institutions are also subject to the audit requirements of the federal 2 CFR §200, local governments, and non-profit organizations, which includes colleges and universities. CMI is also subject to the RMI Government audit procedures.
- 3) CMI will cooperate fully with all grant audits by US federal and RMI national agencies. The provisions in this handbook regarding documentation and records retention are in place to ensure that proper documentation is maintained not only for internal operating needs, but to meet external audit requirements.

12. Closeout

US federal granting agencies typically close out grants administratively within 90-120 days (90 days for a sub-recipient) after the expiration of the grant, assuming final project and financial reports have been received and after determination has been made that other administrative requirements in the grant have been met. This may include adjustments for amounts due the grantee or the agency. Following close out, the US federal government may recover amounts from the grantee based on the results of an audit covering any part of the period of grant support. Some agencies specify a closeout package or activity for grantees; in this case, the Project Director, the Executive VP, and the Grants Coordinator will collaborate to fulfill this closeout requirement.

V. Project Director's Role and Responsibilities

The Project Director, or Principal Investigator, has full authority to administer a grant-funded project and the responsibility for implementing project activities with grant funds to achieve stated objectives within the confines of applicable grant terms and appropriate regulations.

The responsibilities of the Project Director may include, but are not limited to, the following:

- 1) Prepare an initial grant management plan (GMP) and provide quarterly updates.
- 2) Maintain steady progress toward meeting the project's goals and objectives.
- 3) Participate in quarterly grant review meetings coordinated by the CMI Grants Office.
- 4) Implement and/or coordinate all project activities and manage day-to-day operations, working closely with the appropriate college departments and supervisory personnel.
- 5) Comply with all regulations of the funding agency.
- 6) Administer the grant budget according to program requirements, initiating and monitoring grant expenditures, working with the FABS Office to reconcile discrepancies, and with the Grants Coordinator if the spend-down of funds is significantly lagging or exceeding the budget plan.
- 7) Ensure that expenditures are limited to the total dollar amount awarded.
- 8) Ensure proper use and accountability of grant-funded equipment and supplies.
- 9) Hire and supervise project staff; work with CMI HR Office to get timesheets approved.
- 10) Ensure completion of any required time and effort reports.
- 11) Work with the CMI HR Office to recruit project employees and participants.
- 12) Work with the CMI Media Department to promote the program.
- 13) Work with the Financial Aid Office to administer student financial assistance.
- 14) Maintain accurate project records, including records of fixed assets purchased through the grant.
- 15) Coordinate data collection and project evaluation with the Director of Institutional Research, Planning and Institutional Effectiveness and the Grants Coordinator.
- 16) Disseminate project information and results as required by the grant conditions.
- 17) Establish and maintain a good working relationship with program officers at the funding agency; in collaboration with the Grants Coordinator, communicate questions and any significant anticipated changes to the project that may be necessary.
- 18) Monitor sub-recipient performance and grant expenditures, if applicable.
- 19) Prepare and submit reports to the funding agency as required, with copies of all reports submitted to the Grants Office.
- 20) Prepare and submit internal reports as may be requested, with copies of all reports submitted to the Grants Office.
- 21) Perform necessary closeout activities in collaboration with the FABS Office and the Grants Office.

Source: Modified from the Piedmont Virginia Community College's Handbook of Grant Award Management and Compliance.

Following are some tips for success for Project Directors/Principal Investigators:

Table 1. Tips for Simplifying Your Life as a Project Director (Staying Out of Trouble)

<p>1. Ensure thorough understanding. Read all communications to make certain you fully grasp definitions, agreements, tasks, and specifications. Don't assume. Take the time, make the effort, master the details. Identify unclear grant provisions or project responsibilities; ask questions assertively and seek clarifications until you're satisfied.</p>
<p>2. Keep up with tasks as they are needed. Allow lead time as a grant project represents only one of many items impacting your colleagues' activities and availability. Grants often diverge from academic calendars; team members may need to make special arrangements to complete deliverables.</p>
<p>3. Stay on top of the budget. The award of a grant represents the funding agency's confidence in the College to deliver a genuine return on its investment. Effective stewardship of the budget can inspire confidence in grantors when future grants are sought. It takes a team effort, so treat FABS Office/accounting colleagues as partners in the process and ensure that they receive all the information needed in a timely manner.</p>
<p>4. Plan for and conduct productive grant-related meetings. Develop a written agenda. Where pre-work makes sense in eliciting ideas and saving time, request it. Manage meetings effectively in order to make good use of colleagues' time. Document decisions promptly. Use of Asana, Google Drive and Google Docs is strongly encouraged.</p>
<p>5. When given options, follow the more restrictive policies. Regardless of the task – purchasing goods or services, hiring staff, or travel – use the stricter policies whether they originate with the funding agency, US federal government or RMI National Government, or CMI. It's hard to err when you follow the tighter rules. Consult when in doubt.</p>
<p>6. Keep little problems from becoming big ones. If you notice that elements of your project are getting a bit off-track, meet with your dean or director, the Grants Coordinator, or FABS Office associates early to avoid derailment. Communicate and consult.</p>
<p>7. Remember the phrase, “appearance of impropriety,” and avoid it. For any grant activity conducted on CMI time, steer clear of politicking, lobbying, entertaining, and engaging in religious activities, including using staff time and equipment in such settings; all of which are strictly prohibited by nearly all external funders. If a potential or planned action seems even remotely questionable, check it out. Consulting your supervisor or the Grants Coordinator can save time and prevent problems.</p>
<p>8. Develop and enjoy a project management community. A group of colleagues involved in projects can furnish sources of helpful information, professional growth, and camaraderie.</p>
<p>9. Develop the relationship with the US Federal Program Officer (FPO) over time. Approach the grant as a partnership. But do not wear out your welcome, contacting the FPO about minor issues and questions you or your team of partners should know the answers to. Research first; consult your internal team next; then contact the FPO when you've done your homework and are well-prepared but still have a question.</p>
<p>10. Acknowledge the funding agency. Credit the grantor in printed material, meetings, and events, especially public ones.</p>

VI. Grant Project Start-Up Process

Start-up of a new grant project should generally include the steps shown in Table 2.

Table 2. Grant Project Start-Up

Step No.	Activity	Responsibility
1.	Work with your Vice President to present the grant opportunity to the Senior Leadership Team. Complete a Proposal Summary Form.	Vice President Project Director
2	Decode the application onto a Grant Management Plan (GMP) and create a new grant project under the Asana Portal. As needed, develop a working list of sub-tasks to be completed on Asana.	Project Director/Principal Investigator
3.	Hold grant oversight team kick-off meeting (Project Director; supervising dean, director or vice president; FABS Office representative; and Grants Coordinator) and other relevant personnel. Review provisions of Award Management Handbook, with particular emphasis on compliance (the level of detail will vary based on the experience of the grant team). Review and confirm all elements of the GMP. Review plans/status of grant accounting and summary budget reporting. Discuss start-up activities.	Project Director Grants Coordinator
4.	At the request of the Project Director, the FABS Director will set-up or designate a financial system account number/budget code for the new grant project.	Project Director FABS Director
5.	Consult and coordinate with other internal partners as needed: <ul style="list-style-type: none"> ● FABS Office (for accounting and budgetary support) ● Media (for any promotions/recruiting events) ● HR (for recruiting personnel) ● Institutional Research and Planning Department (for data collection and evaluation support) 	Project Director
6.	Set-up project files and plan for documenting project activities.	Project Director
7.	Set-up a spreadsheet in the Grants Shared Folder to track grant expenditures using the College's standard format.	Project Director
8.	Establish quarterly review meeting schedules on Google calendars of the grant oversight team using the ASANA Portal.	Grants Coordinator
9.	Add a summary of new grants to the summaries of active grants on the Grants Office Google Drive and ASANA Portal.	Grants Coordinator
10.	Start implementing the project per the GMP and the provisions of this handbook.	Project Director

VII. Grant Project Fiscal Management

A. General

The grant Project Director has responsibility for fiscal management of the grant, including getting expenditures of grant funds approved in the CMI accounting system, Microix. This responsibility includes stewardship of grant funds for the purpose of accomplishing the approved objectives of the project and timely action to plan and execute grant activities that result in the spend-down of grant funds per the project budget plan. In addition, the FABS Director, the Grants Coordinator, and the Project Director's supervisor has oversight responsibilities for the fiscal management of the grant.

B. Setting up Grant Accounts (Budget Codes)

1. At the kick-off of a grant project, the project Director works with the Grants Coordinator to request that the FABS Director set up the necessary financial system account number (budget code) to account for the grant project's funds and expenses.
2. In all cases, whether a US Federal Grant or other international grant, the FABS Office will advise the Project Director and Dean of the appropriate grant budget account number to use on the expenditure documents of the grant project. In all scenarios, Project Directors must maintain a project Expenditure Log Spreadsheet (Exhibit B) per CMI grant policy.

C. Transacting Procedure Including Personnel Costs

Grant funds are spent by requisitioning purchases of goods or services, employment of personnel, contracting with third parties, funding students, etc. The same procedures and approvals apply to grant-funded expenditure and human resource activities as to CMI-funded expenditures – Project Directors should follow the standard CMI procedures for these grant activities. In addition to the grant budget account number, Project Directors should include the grant budget expense category title (e.g., “supplies,” “travel,” “equipment,” etc.) on purchase requisitions.

End of fiscal year procedures:

1) Purchase requisitions

If the grant termination date coincides with the fiscal year-end, then the grant programmatic activities must be completed by June 30. If payment for the cost of these final activities will take place in less than one (1) week before year-end (the FABS Office sets a year-end cutoff one (1) week before year-end each year and notifies the divisions in advance) the funds must be encumbered with written documentation delivered to the FABS Office prior to the year-end cutoff date, and the payment must occur within the time window allowed by the due date of the grantor's final financial report. Grant Project Directors should not start a grant purchase request near the end of the fiscal year because it is unlikely to conclude in time for payment out of grant funds. **The rule of thumb to use is to not initiate any additional purchases less than 30 days - 2 CFR §200) before the end date of the grant.**

NOTE: This fiscal year-end process requires close coordination with the FABS Office and punctual action! If not handled per procedure in a timely manner, these grant expenditures will be charged to the department's regular operating budget.

2) Personnel

The timing of payroll schedules results in some personnel costs being incurred in one month and accounted for in the following month. Project Directors must carefully manage the timing of these expenses, especially for grants terminating at fiscal year-end but also for grants with other end dates.

- a. Full-time employees: For exact dates of payroll cutoff applicable to the CMI's fiscal year-end for full time employees, refer to the current "Full-Time Pay Dates" schedule emailed annually to the CMI Community from FABS.
- b. Part-time employees: For exact dates of the part-time payroll cutoff applicable to fiscal year-end, refer to the current "Bi-Weekly Pay Dates" schedule emailed annually to the CMI Community from FABS.

It is highly recommended that the Project Director discontinue any work by part-time employees by the fiscal year-end payroll cutoff date so that employee costs do not inadvertently get charged to CMI because they are no longer allowable by the grant.

- c. Grants with termination dates other than fiscal year-end:
 - 1) US federal grants: Termination dates for most federal grants do not correspond to the CMI's fiscal year-end. Project Directors should ensure that all programmatic activities are completed by the last day of the grant period and that all expenditures are encumbered by the same day. Payment of the encumbered expenditures may take place in the 30 calendar days following the end date of the grant, as the schedule for the final financial reporting and reimbursement requests typically provides for a 90-day window after termination. **The rule of thumb is to not initiate any additional purchases less than 30 days before the end date of the grant.**
 - 2) Other Grants: Likewise, these grants typically do not end on the state fiscal year-end. Project Directors should ensure that all programmatic activities are completed by the last day of the grant period and that all expenditures are encumbered by the same day. Payment of the encumbered expenditures under these grants typically must be completed within about two weeks after the grant end date as final reports to the grantors are typically due within 30-days after the grant end date. Project Directors must ensure that the timing of any final expenditure requests will meet this timeline for payment. **The rule of thumb is to not initiate any additional grant purchases less than 30 days before the end date of the grant.**
- d. A cost is "encumbered" (aka "obligated") when a purchase order is initiated, not when it is paid. Payroll is not encumbered as such but through prior arrangement with the FABS Office can be charged to the grant and reported on final reimbursements or final financial reports as long as the pay date is reasonably earlier than the closeout date, per the preceding guidelines. That said, all off-island purchase request must be encumbered by June 30 (last day of the month in June), all materials/supplies, including CMI Bookstore purchases, must be encumbered by July 31 (last day of the month in July), and all other category line items must be encumbered by August 31 (last day of the month in August).

D. Types of Costs

Several types of costs are involved in grant projects:

- 1. Direct costs are those that can be specifically identified to the grant project:
 - a. Salaries and Wages
 - b. Fringe Benefits
 - c. Equipment Based on US federal regulation (2 CFR §200), grant-funded "equipment" is an item of tangible property with a useful life of more than one year and a unit cost of \$5,000 at the date of acquisition, i.e., a capitalized asset.
 - d. Supplies (expendable materials and supplies, including equipment with a useful life of one year or less or a unit cost of less than \$5,000)

- e. Travel
 - f. Contractual (e.g., consulting fees)
 - g. Construction or renovation (most grants disallow this cost)
 - h. Rent
 - i. Participant support costs (e.g., scholarships, paid internships, etc.)
 - j. Other direct costs
2. Indirect costs, also known as Facilities and Administrative (F&A) costs, are incurred for the general support and management of an institution. These costs are necessary to fund the overall operation of CMI, although a direct relationship to a particular program or project is difficult to enumerate. These indirect costs are typically 10% of the overall project budget.
 3. Cost share or matching funds are defined as the portion of the cost of a grant project that is borne by CMI as a specific contribution to the project. It can be represented by either cash or in-kind contribution such as office space or employee time and effort not covered by the grant. Cost share or match on federal grants is defined as the portion of project costs not supported by federal funds (i.e., non-federal share). Any non-federal cost share must be verifiable from CMI records, necessary and reasonable for proper and efficient accomplishment of the project, and allowable under federal cost principles and regulations. Grantors typically require applicants to specify in their applications how they will meet matching requirements and then the grantors specify the matching requirement in the Grant Award Notification.
 4. CMI has certain requirements for purchases made under CMI's federally funded programs:
 1. **Small Purchases-Purchases under \$25,000**
 - a. Although the **OMB Super Circular's - 2 CFR §200 - small purchases** states that purchases = or, <\$150,000 are considered small purchases, CMI policies on small purchases are more stringent therefore CMI's policies and procedures take precedence. "Any and all purchases using restricted funds that are < \$25,000 AND = or > \$3,000, should provide three quotations **AND** a price quote analysis. **ANY PURCHASES OF EQUIPMENT** that are = **OR > \$10,000** should get prior approval from the grantor.
 - b. If cannot obtain three (3) quotations for whatever reasons, an attempt to solicit quotation must be provided AND documented and reviewed by the FABS Office for compliance purposes OR get a written approval on the single sole source from the granting agency. (*Sole Source justification*)
 - c. All purchases <\$3,000 do not require THREE (3) quotations.
 2. **Large Purchases- Purchases over \$25,000.00**

Although the **OMB Super Circular's large purchases** states that purchases >\$250,000 are considered large purchases, CMI policies on big purchases are more stringent therefore CMI's policies and procedures take precedence. Any and all purchases for the College under the restricted fund = OR > \$25,000, rather than \$250,000, **MUST GO THROUGH CMI'S BID COMMITTEE.**

NOTE: Always keep in mind the grantor's procurement regulation supersedes RMI's and CMI's procurement requirements. When in doubt about which procurement code to abide by, follow the stricter code.

3. All CMI Federal Grant Expenditures

Prior to spending any federal funds, it is required that the following documents are provided to the FABS Office fourteen (14) business days in advance:

- GAN (Grant Award Notification)
- Approved itemized budget
- Copy of grant proposal

FAILURE TO SUBMIT THE ABOVE DOCUMENTS WILL RESULT IN DELAYING PROCESSING OF YOUR REQUESTS TO IMPLEMENT YOUR PROGRAMS.

E. Approval of Grant Expenditures

The Project Director initiates expenditures of grant funds and submits the requests through the MIP system for approval, although he/she may delegate aspects of making expenditures to other project team members or departmental personnel. Once approved by the Project Director, it goes to his/her supervisor (Dean, Director, or Vice President); the FABS Director; the Vice President of Business and Administrative Affairs; the President of CMI, and then the Project Director may pick up the check at the FABS Office once it has been cut. The collective approval procedure helps ensure the appropriateness of grant expenditures. Approval of expenditures by all parties is based on the accountability principles of CMI.

F. Monitoring Expenditures and Budgets

Expenditures are posted to grant financial accounts based on the account numbers (budget codes) and expense categories recorded on expenditure and FABS documents. When an expenditure is initiated, the Project Director (or departmental administrative staff) submits it onto the Microix or Workflow system for it to go through the approval process. On a quarterly (calendar) basis, the Project Director reconciles the grant's expense log to CMI's official record of grant expenses in Microix via one of two methods. First method is taking their grant expenditure log spreadsheets to the FABS Office to be reconciled. Under this method, the FABS Office will pull reports from MIP and assist with the reconciliation. The second method would be by accessing Microix directly to reconcile the expenditures. In addition, Project Directors and FABS Office staff monitor expenses charged to grant budgets to ensure that: 1) Obligations are not in excess of total funds available. 2) Line item expenses correspond to the grant's budget plan and comply with grantor expense guidelines.

G. Personnel Time and Effort

General

Labor costs are generally "allowable" expenses. These costs are measured in terms of "percent effort" with a 100% maximum per employee for time spent on all duties, both grant activities and other work duties. The percent effort of an employee who works on grant tasks is used to calculate the portion of the employee's cost (salary and benefits) that should be charged to the grant. At CMI, personnel costs, consisting of salaries and fringe benefits, are based on payrolls documented and approved in accordance with CMI payroll policies and procedures.

Grant time and effort—federal grants

CMI's personnel costs that are grant-funded, or are part of the CMI's cost share (match), are supported by a time distribution system that includes a combination of standard CMI personnel activity reports (electronic timesheets and leave request forms) and grant time and effort activity reports. For personnel funded in part or in whole by a grant or whose costs are part of grant cost share, supervisors and/or deans are responsible for verifying that the grant work was performed per the objectives of the grant and for approving all timesheets, leave request forms, grant time and effort forms, and faculty release time charge forms. Prudent

best estimates should be provided for all time and effort reporting based on the following federal regulation (2 CFR 200):

“In the use of any methods for apportioning salaries, it is recognized that in an academic setting, teaching, research, service, and administration are inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.”

However, if there is a discrepancy in the amount of time and effort expended on a grant project, the Project Director notifies the FABS Office to adjust the charge to the grant budget accordingly and provides documentation for the adjustment, with a copy to the appropriate supervisor and the Grants Office. The Project Director files all completed time and effort forms, including release time charge forms, in the grant project files. The FABS Office will make initial charges to grant budgets on the basis of payroll system data that is based on completed timesheets or predetermined percent of effort values applicable to selected grant personnel. If the FABS Office receives notice from a Project Director, Supervisor, or dean to adjust any charges due to a discrepancy based on the percentage of actual time certified on a time and effort form, then the FABS Office will promptly adjust the charges to the grant. The Project Director is responsible for setting up the time and effort reporting procedures with personnel to be funded in whole or in part by the grant or whose costs are part of cost share and with their supervisors, and ensuring the procedures are followed. He/she is also responsible for monitoring that both the actual time spent on grant activities and the amount of salary and benefits charged to the grant corresponds to what was specified in the original proposal. He/she must take corrective action on any significant variances. Time & Effort Reporting Form must be signed by the employee and a supervisor who has first-hand knowledge of the activities performed by the employee.

VIII. Grants Office's Oversight Role

The Grants Office has the delegated role of oversight of the administration of all grant projects. This role is accomplished primarily by performing the following:

- A. Recommends grant policies and procedures to President's staff; administers the approved policies and procedures.
- B. Coordinates kick-off meetings for the start-up of new grant projects and ensures grant and support personnel are aware of grant management policies, procedures, and expectations.
- C. Coordinates the process of Project Directors completing initial Grant Management Plans (GMPs) for new grants and quarterly updates to the GMPs.
- D. Schedules and holds quarterly review meetings with Project Directors and their teams for each grant. Each grant oversight team consists of, at a minimum, the Grants Manager, the Project Director, and the Project Director's supervisor (Dean, Director, or Vice President). Other personnel may be included as well.
- E. Notifies President's staff of any significant grant performance issues identified in quarterly reviews or through other monitoring.
- F. Provides the President's office a quarterly financial recap report of all active grants.
- G. Coordinates all change of scope, extensions, budget modifications, or other changes for internal and external (grantor) approval.
- H. Monitors grant closeout scheduling and completion.
- I. Provides consulting to grant project teams for matters of award management including policies, procedures, issues, and questions.
- J. Remains abreast of changes and trends in applicable governmental and philanthropic regulatory and compliance environments and CMI operating changes and updates this handbook accordingly on a timely basis.
- K. Initiates public dissemination of grant impact.

IX. Exhibits

Exhibit A: Grant Management Plan (GMP)

Exhibit B: Grant Expenditure Tracking Spreadsheet

Exhibit C: Grant Exempt Time and Effort Reporting Form

Exhibit D: Grant Proposal Summary Form

Exhibit A: Grant Management Plan (GMP)



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Grant Management Plan

I. Action This Date

- Initial Plan at Project Start-Up
 Quarterly Performance Update for Period: FROM ____ TO ____

(Updates are on a calendar quarter basis unless otherwise agreed by the Grants Office)

This GMP draft was reviewed and approved by the Dean/Director/VP (name/title):			
Submitted by:		Date Posted to Shared Grants Folder:	

GMP DUE DATES: The Grants Office notifies project directors of the due dates for their initial GMP and quarterly updates (typically timed to correspond to a calendar quarter). Project Directors submit completed GMPs via the Grants Shared Folder on the CMI Grants Shared Google Drive and notify the Grants Coordinator by email when the GMP is posted.

II. GENERAL INFORMATION			
Project Title:		Project Director	
CMI Division:		Funding Agency	
Amount of Award: \$	Date of Award:		
CMI Budget Code(s):	Award Start Date:	Award End Date:	
Duration (No. of Months)			

Initial plan only.

III. Project Summary: Describe purpose, objectives, and strategies (750 words or less)

Initial plan only.

IV. Activities and Deliverables			
No.	Description	Person Responsible	Target Completion Date
1			
2			
3			
4			

5			
6			
7			
8			
9			
10			

Initial plan only. (Add rows to table as needed)

Status of Activities for the Quarter Reported	
Quarter	Provide Status Update for the Quarter (if feasible based on nature of outcomes)

Quarterly updates only. (Add rows to table as needed.)

V. Programmatic Performance Measurement (For multiple year awards, outcomes should be broken into annual increments or targets where feasible)				
No.	Outcome	Baseline	Target Completion Date	Data Source and Assessment Method
1				
2				
3				
4				

Initial Plan Only. (Add rows to table as needed.)

Status of Outcomes for the Quarter Reported	
Quarter	Provide Status Update for the Quarter (if feasible based on nature of outcomes)

Quarterly updates only. (Add rows to table as needed.)

VI. Financial Performance Tracking					
Quarter	Initial Plan	Quarterly Updates			Status of Budget: Explain any Significant Variances and/or Financial Issues with the Project
	Budget Plan \$	Actual Spend-Down \$	Variance to Date \$	Budget Reconciled to Business Office	
				Yes No	
				Yes No	
				Yes No	
				Yes No	

NOTE: For the initial plan, complete the 'Quarter' and the 'Budget Plan \$' columns for all quarters of the grant period; leave the columns under "Quarterly Updates" blank. For quarterly updates, complete the current reporting quarter's 'Actual Spend-Down \$', 'Variance to Date \$' (from grant start date to end of current reporting quarter), 'Budget Reconciled to Business Office', and 'Status of Budget'. (add rows to table as needed.)

VII. Other Updates for the Quarter Reported (Note any other concerns or significant accomplishments)	

Quarterly updates only. (Add rows to table as needed.)

VIII. Progress Reporting to Grantor (Identify what progress reports are required and when they are due)	

Initial plan only.

DECLARATION BY APPLICANT

I hereby declare that I have read and am familiar all applicable laws and regulations applicable to the Grant this management plan is for, and I certify that the information submitted in this application form is complete and accurate to the best of my knowledge and belief. I understand that I am required to report to the Grants Office within seven (7) days of any changes to the information given on this form. I further understand that any false statement herein may render me liable to prosecution.

Applicant Name

Division

Applicant's Signature

Date (mm/dd/yyyy)

Exhibit C: Grant Exempt Time and Effort Reporting Form

Exhibit C: Grant Exempt Time and Effort Reporting Form

College of the Marshall Islands

Exempt Staff-Grant Time and Effort Reporting Form

The Project Director collects the report within 15 days after the reporting period.

Employee Name: _____

Exempt Classified Staff: Complete this report within 15 days after the end of each term			
Pay Period Dates:		Fr: _____	To: _____
		Starting Date (MM/DD/YY)	Ending Date (MM/DD/YY)
Grant Title	Grant Account No./ Budget Code	Percent Time Worked	
		Grant	Cost Share

Employee Signature

Date

Supervisor Signature

Date

If the employee works on more than one grant project in the same term, then he or she should complete a separate time and effort report for each grant.

PROCEDURE: The grant project director coordinates with the employee to collect the report within 15 days after the end of each term. If the grant terminates during a term, the report is due and collected within 15 days after the termination date. If the employee terminates during a term, the report is due and collected before the employee's last day of work. The project director files a copy in the grant project files and forwards a copy to the Grant's Office.

Exhibit D: Grant Proposal Summary Form



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Funding Proposal Concept Summary Form

I. GENERAL INFORMATION			
GRANT TITLE/ FUNDING AGENCY			
LEAD DEPARTMENT		PROJECT DIRECTOR	
TOTAL GRANT AWARD (\$)		ESTIMATED FUNDING REQUEST (\$) (CO-FINANCING / COST SHARE?)	
PROJECT START DATE		PROPOSAL/APPLICATION DEADLINE	
PROJECT END DATE			
II. PROJECT OVERVIEW			
PROJECT SUMMARY			
OUTCOMES AND OBJECTIVES			
IDENTIFIED CMI STRATEGIC GOALS/ACTIVITIES			
TARGET GROUP/AUDIENCE			
TIMELINE			

Concept initiator

Date

Respective Vice President

Date