



# Grants Manual

## Policies and Procedures

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1201 Wesleyan St  
Fort Worth, TX 76105

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## I. Introduction

Texas Wesleyan University will use this Grants Manual to effectively manage its federal, private, and foundation grants. This Grants Manual includes post-award instructions to ensure grants are effectively managed, closed, and prepared for audit. It is the intent of the University that this manual will be used by the Sponsored Programs & Foundation Relations Office while administering grant programs. The policies and procedures listed in this manual are based on the Uniform Guidance (2 CFR 200) which can be found at:

- [www.ecfr.gov](http://www.ecfr.gov)

The Grants Manual includes the following information:

- Grants Office Information
  - Grants Lifecycle
  - Grant Management: Policies & Procedures
  - Grant Closeout
- Appendices I-IV which includes purchase order example, property management checklist, grant closeout, and grant management checklist

## II. Office of Sponsored Program & Foundation Relations

### **Mission**

Texas Wesleyan's Sponsored Programs and Foundation Relations office is committed to procuring and administering grant revenue and external funding for innovative educational projects and programs that effectively support the ongoing mission of the University through federal, state, and local agencies as well as private foundations and corporations. Sponsored Programs helps to establish and steward strategic relationships with funding partners for the mutual benefit of Texas Wesleyan students and faculty and the community at large.

### - GRANT LEADERSHIP



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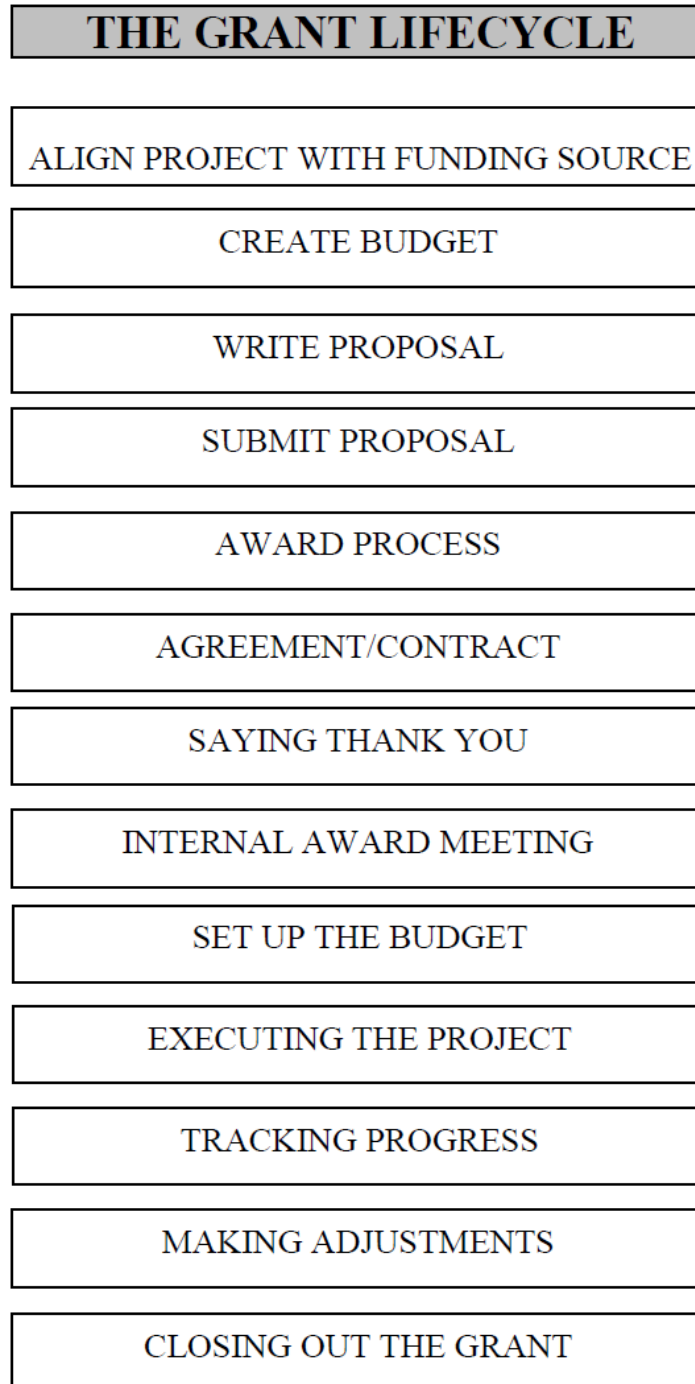
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### III. Uniform Guidance

According to the Uniform Guidance, the organizations must follow the federal code which is based on 2 CFR 200 located in Title 2: Grants and Agreements, Part 200 Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards.

The contents of the 2 CFR 200 is divided into 6 subparts as follows:

1. [Subpart A: Acronyms and Definitions](#)
2. [Subpart B: General Provisions](#)
3. [Subpart C: Pre-Federal Award Requirements and Contents of Federal Awards](#)
  - a. The purpose of pre-award requirements is to provide specific instructions on eligibility, notice of funding opportunities, merit review of proposals, and other specific conditions including suspension and debarment.
4. [Subpart D: Post Federal Award Requirements](#)
  - a. The purpose of post award requirements is to provide standards for financial and program management. The program management includes program outcomes, milestones, indicators, and cost-effective practices. The financial management standards includes expending procedures, internal controls, payment, cost-sharing, program income, and budgeting.
  - b. The regulations also include standards on property, procurement, sub-recipient monitoring, records retention, and close-out.
5. [Subpart E: Cost Principle](#)
  - a. The purpose of the cost principles is to communicate that the non-Federal entity is responsible for the efficient and effective administration of the Federal funds. The regulations focus on factors affecting allowability of costs, unallowable costs, classification of indirect and direct costs.
6. [Subpart F: Audit Requirements](#)
  - a. These standards require all non-Federal entities who expend \$750,000 or more during the fiscal year to have a single or program-specific audit.
7. [Other Federal Agency Regulations for Grants and Agreements](#)
  - a. Other regulations followed by specific agencies can be found under Title 2 Grants and Agreements, Subtitle B-Federal Agency Regulations for Grants and Agreements. The regulations includes 3 CFR thru 59 CFR.



## V. Required Policies & Procedures

### **CONFLICT OF INTEREST (POLICY)**

#### **Introduction**

Texas Wesleyan University adheres to the highest standards for identifying and maintaining possible conflicts of interest and has adopted policies and procedures based on 2 CFR 200 federal guidelines to manage such possible situations. If a possible event occurs, the University will review each claim individually with specific details and ensure the claims are handled ethically and with the highest level of integrity.

#### **Definition §200.112 Conflict of interest**

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

#### **Disclosure Form**

All faculty and staff must complete this form to ensure that any direct compromise, bias, professional judgment, or subjectivity should not happen related to the management of federal financial assistance. If there is a conflict of interest, faculty and staff must receive approval before they begin a project. For projects where the conflict exists, this form must be completed immediately. To comply with this policy and ethical standards, employees must not engage in any activity until their request has been approved by the management. All approved forms will be retained in the Human Resources office.

**You must fill out a separate form for each company in which you have a financial interest and update each form as changes occur.**

Name (printed) \_\_\_\_\_

Last Name

First Name

#### **Please Initial Each Response**

I have no financial interests to disclose.

\_\_\_\_\_ Initial to indicate no financial interests

**(If you have no financial interests, STOP – Skip the remaining questions and sign this form at the end.**

---



I participate in Public Health Service (PHS) funded research (e.g., NIH, NHLBI) \_\_\_\_\_ Yes \_\_\_\_\_ No

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**I am disclosing interest for (name of company):** \_\_\_\_\_

---

1. Research or clinical services performed for this company generates personal income paid directly to me or a member of my immediate family. \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide amount of income within the last year. \$ \_\_\_\_\_

2. I or a member of my immediate family receive(s) personal income for consulting or other services (including CME) for this company. \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide amount of income within the last year. \$ \_\_\_\_\_

3. I or a member of my immediate family receive(s) personal income for other non-CME services (e.g. advisory services) for this company. \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide amount of income within the last year. \$ \_\_\_\_\_

4. I or a member of my immediate family receive(s) personal royalties from this company. \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide amount of income within the last year. \$ \_\_\_\_\_

5. I or a member of my immediate family has equity in this company, \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide amount of equity held. \$ \_\_\_\_\_ or \_\_\_\_\_ %

6. Within the last 12 months, I have or a member of my immediate family has been reimbursed by this company for travel in connection with professional duties. \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes,

Duration of travel: \_\_\_\_\_

To what location: \_\_\_\_\_

Purpose of travel: \_\_\_\_\_

Amount of reimbursement: \_\_\_\_\_

**In relation to the Company above, please note the following section on Financially Interested Company:**

**Financially Interested Company:** Texas Wesleyan requires that you report any compensation that you receive or Equity or Proprietary Interests that you have in a Financially Interested Company (i.e., the manufacturer of a product that is the subject of your Research project(s), its agent, or a company that is a direct and primary competitor to the manufacturer of the product), even if you purchased the Equity interest. The policy also requires that you disclose whether you hold a fiduciary position with a Financially Interested Company even if the position is unpaid.

**Please answer the following questions:**

I receive compensation from or hold an Equity or Proprietary Interest in a Financially Interested Company.

\_\_\_\_\_ Yes \_\_\_\_\_No

I hold a fiduciary position (director or officer) in a Financially Interested Company.

\_\_\_\_\_ Yes \_\_\_\_\_No

My signature on this form signifies that I have read and understand the Texas Wesleyan University's Conflict of Interest Policy and that my questions have been answered to my satisfaction.

Signature \_\_\_\_\_ Date \_\_\_\_\_

## REQUIRED CONTRACT PROVISIONS

Any grant funded contract awarded by Texas Wesleyan University to prime and subcontractors must contain the following federally mandated provisions:

- i. **Simplified Acquisitions Set at \$150,000**
  - Simplified Acquisitions set at \$150,000 must address administrative, contractual, or legal remedies where contractors violate or breach contract terms.
- ii. **Contracts in Excess of \$10,000**
  - All contract in excess of \$10,000 must address termination for cause.
- iii. **Lobbying (Policy)**
  - In September 2007, Congress passed the [Honest Leadership and Open Government Act](#) (HLOGA); HLOGA is a law of the United States federal government that amended parts of the Lobbying Disclosure Act of 1995. The purpose of HLOGA is to highlight the role of lobbyists in influencing federal legislation.

In order to increase our effectiveness in Washington, the University's federal activities must be managed and coordinated through the Texas Wesleyan University President's Office. As a not-for-profit educational institution, Texas Wesleyan University is permitted to engage in certain types of lobbying activity, provided the University complies with legal requirements under federal and state law.

Members of the University community are expected to adhere to the following guidelines:

### **1) Authorization to Lobby**

The President, Vice President, or designee are authorized to:

- Engage in or direct others to engage in lobbying activities on behalf of the University.
- Enter into contracts, agreements, or partnerships that involve lobbying. The University must not retain outside firms for any lobbying activity.

### **2) Information Requirements**

In order to comply with state and federal requirements regarding the tracking and reporting of lobbying activity and registration of lobbyists, the University must be made aware of:

- All meetings, communications, and planned events with members of Congress, White House officials, leaders in the State of Texas, and City departments and lawmakers.
- Any plans to honor government officials.

Keeping the University informed helps ensure that no University employee inadvertently meets lobbying thresholds that would require individual registration as a lobbyist. Any verbal or written representation of the University must be consistent with and adequately reflect the University's mission, vision, values, and strategic direction

### 3) *Prohibition on Gifts to Public Officials*

- Federal and state laws prohibit gifts and payment to public officials, including cash, meals, and tickets to sporting events. If you have any concerns about whether an interaction with a public official may violate this prohibition, please consult with the President's Office.

### 4) *Lobbying in a Personal Capacity*

- Members of the Texas Wesleyan community who wish to lobby on issues of personal interest, and not on behalf of the University, are encouraged to do so. However, faculty and staff engaging in lobbying activities in a personal capacity must be clear that they are not acting on behalf of the University, and they must not use University time or resources for these personal lobbying efforts.

#### iv. **Clean Air Act**

- According to 42 U.S.C. 7401, contracts and subgrants of amount in excess of \$150,000 must contain a provision for a grantor to comply with Clean Air Act. *All violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).*

#### v. **Copeland Anti-Kickback Act**

- Per 40 U.S.C. 276 C and 18 U.S.C. 874 contracts must include provision in compliance with Copeland Act; this act prohibits contractors and subcontractors from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. *Grantee must report all suspected or reported violations to the Federal awarding agency.*

#### vi. **Contract Work Hours and Safety Standards**

- The Federal regulations 40 U.S.C. 3701-3708 requires compliance provision for all contracts awarded by the grantee in excess of \$100,000 that involve the employment of mechanics or laborers. Under this act, each contractor must be

required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.

**vii. Davis-Bacon Act**

- According to 40 U.S.C. 3141-3148, all prime contracts in excess of \$2,000 awarded by grantee must be in compliant with Davis-Bacon Act which states contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. Also, wages must be paid once a week. Each solicitation must include a copy of the current prevailing wage determination. In addition, the decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination.

**viii. Suspension and Debarment (Policy)**

- Per Executive Order 12549, Texas Wesleyan University will not use funds from federal grants, cooperative agreements, scholarships, fellowships, contracts of assistance, or loans to purchase goods and services, from vendors who have been debarred or suspended from doing business with the federal government.

Debarment is defined as an action taken by a government official to exclude a person or entity from participating in federal transactions.

Suspension is defined as a disqualification from participating in federal transactions for a period of time because the company or individual is suspected of engaging in seriously improper conduct, which may lead to debarment.

To ensure that the Texas Wesleyan University is not doing business with vendors who have been suspended or debarred from doing business with the federal government, the grants accounting office will check all purchasing card statements and check requests against Sam.gov, on a quarterly basis. Purchase Orders will be checked against Sam.gov, before the P.O. is approved, in {online approval system}. If ever a vendor appears on the Sam.gov website as being debarred or suspended with a date that precedes payment to that vendor, the purchase will be moved off the federal grant. Purchasing and Accounts Payable will be notified that this vendor has been debarred or suspended from doing business with the federal government.

Below is the link to Executive Order 12549

<http://www.archives.gov/federal-register/codification/executive-order/12549.html>

ix. **Drug-Free Workplace (Policy)**

Texas Wesleyan University supports and endorses the Federal Drug-Free Workplace Act of 1988 (41 USC § 701 et seq.) and the Drug-Free Schools and Communities Act amendments of 1989 (20 USC § 1145(g)). Pursuant to these Acts, the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance or abuse of alcohol (as defined in these Acts) by an employee on university property or as part of any university activities is prohibited.

Any employee of the university found to be abusing alcohol or using, possessing, manufacturing, or distributing controlled substances in violation of the law on university property or at university events shall be subject to disciplinary action in accordance with applicable policies of the university. For employees, the university will take appropriate personnel action for such infractions, up to and including termination as set forth in the *Employee Handbook*. Section 7.1.3 addresses Drug Screening; Section 7.19 addresses a Drug Free Environment; and Appendix N addresses the university alcohol policy.

As a condition of employment, all employees shall abide by the terms and conditions of 41 USC § 701 et seq. and 20 USC § 1145(g). As such an employee must notify the university of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction. Such notice shall be provided in writing by the employee to the Office of Human Resources. The university will in turn, notify as appropriate, the applicable federal agency of the conviction within ten days of its receipt of notification of the conviction. For such a conviction, the university will take appropriate personnel action, up to and including termination, within thirty (30) days of receiving notice of such conviction.

Employees may also be required to satisfactorily participate, at their expense, in a drug abuse assistance or rehabilitation program as approved for such purposes by a federal, state, or local health, law enforcement or other appropriate agency before being allowed to return to work, which may include drug and alcohol testing, as applicable. Employees may also be required to undergo reasonable suspicion drug and alcohol testing as part of this program. For purposes of this policy, a “conviction” means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

**HEALTH RISKS**

Abuse of alcohol and drugs is harmful to one’s physical, mental, and social well-being. Accidents and injuries are more likely to occur if alcohol and drugs are used. Alcohol and drug users can lose resistance to disease and destroy their health. Tolerance and psychological dependence can develop after sustained use of drugs.

Alcoholism is the number one drug problem in the United States. Alcoholism takes a toll on personal finances, health, social relationships, and families. It can have significant legal consequences. Abuse of alcohol or use of drugs may cause an individual driving a motor

vehicle to injure others and may subject the abuser to criminal prosecution. Drunk drivers are responsible for more than half of all traffic fatalities.

More specifically, the major categories of drugs are listed below and include the significant health risks of each.

*AMPHETAMINES* – Physical dependency, heart problems, infections, malnutrition, and death may result from continued high doses of amphetamines.

*NARCOTICS* – Chronic use of narcotics can cause lung damage, convulsions, respiratory paralysis, and death.

*DEPRESSANTS* – These drugs, such as tranquilizers and alcohol, can produce slowed reactions, slowed heart rate, damage to liver and heart, respiratory arrest, convulsions, and accidental overdoses.

*HALLUCINOGENS* – May cause psychosis, convulsions, coma, and psychological dependency.

#### ***COUNSELING, TREATMENT OR REHABILITATION PROGRAMS***

Many community agencies are available to assist employees seeking alcohol and drug counseling and treatment. Employees may receive this additional information through the Office of Human Resources at (817) 531-4403.

#### ***SANCTIONS***

An employee who violates any provision of this policy shall be subject to appropriate disciplinary action including suspension, demotion, non-renewal and/or termination as provided in university Policy 415.08. In addition, any employee who violates the following behaviors is specifically prohibited in the Texas Wesleyan University community, regardless of whether the infraction occurs on or off campus property. Employees may not use, possess, manufacture, distribute, dispense, or sell controlled substances of any kind, including illegal drugs or drug paraphernalia.

- x. **Equal Employment Opportunity**
  - According to Federal regulations 41 CFR 60-1.3 thru 1.4 (b) and Executive Order 11246, all contracts must include the equal opportunity clause.
  
- xi. **Rights to Inventions Made Under a Contract or Agreement**
  - Per 37 CFR 401.2 the recipient must comply with rights to invention requirements if the grantee or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work.

**FACTORS AFFECTING ALLOWABILITY OF COSTS (POLICY)**

Texas Wesleyan University is subject to 2 CFR 200 guidelines to determine the allowability of costs. An expense can be charged to the grant if it passes the 4 following tests:

1. **Reasonable** – The cost must be necessary for the performance of the project.
2. **Allocable** – The cost is incurred solely to advance the work on the project or is proportionally assigned to the project and other work of the institution through reasonable methods.
3. **Consistent**- The cost is consistently treated as either direct or indirect cost.
4. **Allowable**-The cost must be considered allowable under the Uniform Guidance and the terms and conditions of the award.

**Allowability of Selected Expenses**

<b>Item</b>	<b>Description</b>	<b>Type</b>
Advertising and public relations	Expenditures to promote the College	Unallowable
	Advertising for recruitment of employees or human subjects	Allowable
Alcohol	Costs for alcoholic beverages	Unallowable
Books and journals	Texas Wesleyan has a library, books and journals are provided as part of normal services and are built into the indirect cost rate. They cannot be allocated to a specific project. These would include general or reference texts and books that allow the PI to stay current with the field of research.	Included in indirect costs, not allowable as direct cost
	If the book or journal is not available in the library and the PI can document that it is needed for the research/project, it may be allowable.	Possibly allowable as a direct cost
Entertainment	Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) .	Unallowable
	Meals purchased as part of the travel on grant is allowable. Confirm with the Director of Grants.	Possibly Allowable



Item	Description	Type
Equipment	Items that cost at least \$5,000 and have a useful life of more than one year are equipment. Typically, equipment must be included in the awarded budget or we must seek approval from the funding agency.	Possibly Allowable
Fines and Penalties	Costs resulting from violations of, or failure to comply with, Federal, State, and local or foreign laws and regulations	Unallowable
Foreign Travel	Many funding agencies require prior approval for or do not even allow foreign travel. If foreign travel is not specified in the awarded budget, contact the Director of Grants.	Possibly Allowable
Goods or services for personal use	Costs of goods or services for personal use. This includes shampoo, haircuts, laundry, newspapers, magazines, decks of cards and ATM fees	Unallowable
Losses on other sponsored agreements or contracts (cost overruns)	Any excess costs over income under any other sponsored agreement or contract of any nature is unallowable. This includes, but is not limited to, the institution's contributed portion by reason of cost sharing agreements or any under recoveries through negotiation of flat amounts for indirect costs.	Unallowable
Materials and supplies	Costs incurred for materials and supplies necessary to carry out a sponsored agreement. Only materials and supplies actually used for the performance of a sponsored agreement may be charged as direct costs	Allowable
Meetings and conferences	Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes the costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences, but does not include entertainment or alcohol.	Allowable

Item	Description	Type
Memberships, subscriptions and professional activity costs	<p>Membership in civic, community, and social organizations</p> <p>Institutional memberships. These expenses are built into the indirect rate.</p> <p>Membership in professional organizations if membership is required in order to present grant-related research at the conference. Documentation must be provided to the Grants Accountant.</p>	<p>Unallowable</p> <p>Unallowable as direct cost</p> <p>Allowable</p>
Office Supplies	<p>Cost of general supplies.</p> <p>Costs of specific supplies that can be allocated to a specific grant and is justified as being a direct cost of the project.</p>	<p>Unallowable as direct cost</p> <p>Allowable</p>
Pre-agreement costs	Approval required by the funding agency or Texas Wesleyan University under expanded authorities.	Possibly allowable
Sales and other taxes	<p>Texas Wesleyan is exempt from sales and use tax under Texas law on purchases, rentals, and leases of merchandise and services to be used in the performance of its educational functions. Contact the Director of Grants if you need additional information.</p> <p>Other sales and use taxes, including taxes on airfare, lodging, rental car, and dining.</p>	<p>Unallowable</p> <p>Allowable</p>

## VI. Grant Management

### **ESTABLISH NEW FUND PROCEDURE**

#### **Creating a new grant fund procedure**

In order to create a new grant fund in the Chart of Accounts and Colleague system, a Restricted account request form will need to be submitted to the Business Office.

#### *Completing the form:*

##### **Project Name:**

The name is usually set by the source of the funding you are receiving, this will also be referred to as the department name in the Chart of Accounts

##### **Sponsor/Donor:**

What entity is providing the funding? If there will be various sources, then provide the type of organization that is donating the funds. For example, if it is private grants and there also will be individual gifts, the description would be Private Foundations & Individual Gifts.

##### **Source of Funding:**

Choose the source type that best fits the grant/donor funds.

##### **Projected annual receipts:**

This can be a whole dollar amount or an amount range if it will vary from year to year

##### **Project Duration:**

How long is the agreement with the funding source?

##### **Budget Officer:**

The Executive Director of Sponsored Programs/Foundation Relations is the budget manager, unless there is another Department Manager noted in the agreement.

##### **Administrative Assistant:**

This is the person in the school or department that will be processing all the forms and purchasing documents. It is usually the Administrative Assistant for the university school/department the program/project is related to unless there is funding to provide an employee to complete the administrative tasks.

##### **Purpose/Donor Restrictions:**

The majority of all funding sources will provide a donor agreement. That document should be attached to the Restricted Account Request Form. If that documentation is not provided, describe the types of expenses that were in the request for the funding.

**Requested By:** person completing the form

**Approved By:**

Signature order:

Director of Grants & Research

Vice President of Advancement Services

Assistant Controller

**Submitting for Account Creation:**

When you have obtained the required departmental signatures, email the form to the Assistant Controller.

Attach the budget that was created with the proposal that lists the general ledger expense lines that will need to be set up once the account has been created. Once the account is created, a Colleague Access Form will be completed for each employee that will require budget view access or in the case of a new employee, access to create requisitions and receive items in a purchase order.



Texas Wesleyan UNIVERSITY

RESTRICTED ACCOUNT REQUEST FORM

Submit completed form to the Business Office

(Allow 3-5 business days for processing)

Form with two checkboxes

Project Name

Project Name input field

(Maximum 25 characters with space.)

Owning Organization

Owning Organization input field

Sponsor/Donor

Sponsor/Donor input field

Source(s) of Funds

(CHECK ALL THAT APPLY)

Source(s) of Funds checkboxes: FEDERAL, STATE & LOCAL GOVERNMENTS, PRIVATE GRANT, INDUSTRY, TICKET SALES, INDIVIDUAL DONATION, FEES, OTHER

Projected annual receipts

Projected annual receipts input field

Project Duration

Project Duration checkboxes: 1 Year, 2 Years, > 2 Years

Budget Officer

ADMINISTRATIVE ASSISTANT

(PO Initiator)

Budget Officer input field

Notes:

Budget Officers should update the following as necessary:

- \* Payroll requisition forms
\* Be sure to use the new expense account for all check requests, petty cash reimbursements, print shop requests, catering charges, mail center, telephone, and other telecommunication charges.

Purpose/Donor Restrictions (Attach sponsor/donor agreement if applicable, attach solicitation letter if applicable)

Purpose/Donor Restrictions input area

Requested By

Requested By input fields for Name, Ext., Date

Approved By

(VP, AVP, Dean, Director)

Approved By input fields for Name, Ext., Date

ACCOUNTING USE ONLY

Department No.

Department No. input field

Sponsor Grant/Contract No.

Sponsor Grant/Contract No. input field

Open Date

Open Date input field

Director of Grants & Research

Director of Grants & Research input field

Assistant Controller

Assistant Controller input field

Fund Group

Fund Group checkboxes: Current - Restricted (20), Endowment (31)

Expenditure Classification

Expenditure Classification checkboxes: Instruction (1), Research (9), Academic Support (2), Student Services (3), Institutional Support (4), Plant Maintenance (5), Scholarships (7), Auxiliary (6), Public Service (9)

Revenue Classification

Revenue Classification checkboxes: Contributions - (43001), Program Fees - (41283), Ticket Sales (47982), Fees (fbd), Federal Grants (45001), State Grants (45100), Private Grants (43100)

Net Asset Classification

Net Asset Classification checkboxes: Unrestricted Undesignated (UU), Unrestricted Designated (UD), Temporarily Restricted (TR), Permanently Restricted (PR)

## GIFT PROCESSING PROCEDURES

1. All University gifts will be processed by the Office of Advancement.
2. Receipts and donor records will reflect the value of any premiums returned to the donor. The definition of premiums includes goods or services provided to the donor.
3. Gifts-in-kind will be recorded at a value of \$0.00, unless the value of the gift exceeds \$5,000.00, as evidenced by a qualified third-party appraisal. The qualified third-party appraiser must be a certified professional appropriate to the nature of the gift.
4. Stock gifts will be valued based on the date of transfer of the shares of stock to the University and the average trading price on the date of transfer.
5. Gifts are to be processed within 48 hours of receipt.
6. Gifts are to be grouped into batches within 24 hours of receipt. Throughout processing, each gift must be kept in its respective batch.
7. Batches will be compiled and totaled by the Advancement Services Manager, with the Executive Assistant serving as backup. The batch tapes will serve as a check to the daily processing report. Batches should separate gifts by gift instruments to facilitate processing.
8. Once the Advancement Services Manager has tallied the gifts and put the gifts into batches, the batches should be given to the Gift Processor.
9. All checks, stock forms, and credit card slips will be copied before being batched by the Gift Processor. Credit card slips will have the card information removed and/or shredded upon completion of the transaction. These copies will be filed with the batch upon completion of data entry and posting to the general ledger.
10. Within 24 hours, the Gift Processor will enter and post the batches in The Raiser's Edge database. Before posting, one additional copy of the gift will be made and matched to the gift receipt for the donor's file.
11. The Gift Processor will compare batch tapes to the daily processing total before running the daily summary.
12. The gift processor will run the accounting feed and take it to the Business Office on a daily basis as gifts are processed.
13. The Advancement Services Manager will review the daily gift report for a final check on the accuracy of gift processing.

14. Gifts of stock will be processed when a Stock Gift Form is completed by a development officer and the appropriate information has been received from the business office and should be batched in a separate batch from checks.
15. For restricted gifts or funding for special programs, a notification email should be sent to the appropriate dean, director, or staff member.
16. Changes to gift postings must be approved by the Advancement Services Manager.
17. The Gift Processor will run receipts/thank you letters as needed.
18. The receipts/thank you letters will be given to the Advancement Services Manager to be reviewed/edited prior to distribution to the appropriate giving officer for signature.
19. Each receipt/thank you letter should be mailed within 48 hours of the gift being received by the Office of Advancement.
20. The Gifts Processor enters all pledges, via gift batch method outlined above, into The Raiser's Edge database. Phonathon pledges are entered as non-verified pledges. Phonathon pledges not paid in full by fiscal year end are written-off. Pledge reminders are sent at the end of each month.
21. Summary reports on giving will be run at the end of each month by the Advancement Services Manager. The reports will provide detail on the monthly and year-to-date giving results.
22. Reconciliation of The Raiser's Edge database and the Business Office system must be completed monthly, prior to the 10<sup>th</sup> of the succeeding month by the Advancement Services Manager.

## DRAWDOWN REQUIREMENTS AND PROCEDURES

Per 2 CFR 200 guidelines, University must have a process that minimizes the time between receiving cash advances from the U.S. Treasury and the actual disbursement of funds by the federal award recipient for program or project costs.

SF-270 Request for Advance or Reimbursement is required to draw down federal funds.

### PROCEDURE

1. Grant Financial Coordinator performs a reconciliation of each federal program account upon completion of each month.
2. The Assistant Controller is notified to review the reconciliations and draws the approved funds from the G5 system. The University uses the reimbursement method to receive funds.
3. Each draw notice is sent via email to Grant Financial Coordinator, the Controller and the staff accountant that reconciles the bank statements.
4. Once the draw has been completed, the Assistant Controller notifies the Controller the reconciliations are in the workflow for review and signature.
5. The fully executed reconciliations are saved in each program respective file on the Business Office drive.

***Note:** It is crucial that no one individual should perform more than one of the responsibilities of authorizing, approving, and recording transactions. The segregation of duties is key to avoiding fraud, waste, and abuse of grant funds.*



## **PROCUREMENT STANDARDS**

### **Basic Purchasing Procedures:**

1. Department identifies need.
2. Vendor and best pricing is found (Purchasing is happy to help with this).
3. Initiator places requisition for a purchase order.
4. Purchasing creates purchase order and places order with vendor or returns purchase order to department for them to give the vendor the PO number.
5. Vendor delivers goods or services.
6. Department accepts merchandise or service in PORC.
7. Vendor submits invoice referencing purchase order.
8. Accounts payable pays vendor.

### **Purchasing Process**

1. Department identifies need and solicits approval from department head/dean if necessary.
2. If the item is projected to be under \$25,000.00 (our bid threshold) then they can source the product three ways:
  - a. Departmental source
  - b. University contract
  - c. Purchasing research

If product/project is anticipated to be over \$5,000.00 and is not covered by a current contract, then 3 quotes should be obtained based on departmental specifications. Once the bids are received, a vendor is selected using the criteria outlined in the quote request. Requisition is created, approved and forwarded to purchasing to create purchase order and place order with vendor.

Goods and services projected to be over \$25,000.00 should be purchased in coordination with Purchasing, possibly through the use of an RFP process.

3. A vendor is selected based on combination of best value (which would include best price, delivery times, service/support, reputation)
4. If vendor is not in Datatel, then their complete documentation will need to be sent to Purchasing to set them up (0,N-9 and Vendor Information Sheet)
5. Requisition is prepared by initiator and approved by departmental budget manager (and others if required)

6. Purchasing receives approved requisition online. Evaluates to make sure a contract is not in place that might provide better value and that departmental account numbers have been charged appropriately. If a contract is in place, then purchasing goes over that with the department and together makes final vendor selection.
7. Purchase order is created online from approved requisition and issued to the selected vendor or returned to department.
8. Vendor delivers product and sends invoice.
9. Requisition initiator receives purchase order in PORC
10. Invoice goes to Accounts Payable for payment.

### **2 CFR 200: Procurement Standards**

The overall purpose of procurement regulations is to ensure that Texas Wesleyan University gets the highest quality of desired goods and services at the best prices possible. Further, the regulations are aimed at streamlining the process of procurement while maintaining adequate controls. These procurement procedures apply to all staff involved in the procurement process and to all types of procurement.

Texas Wesleyan University will follow §§200.318 General Procurement Standards through 200.326 Contract Provisions. TWU procurement professionals are the gatekeepers for the proper expenditure of TWU's limited financial resources. They are entrusted to uphold the highest ethical standards and be good stewards of public and private funds with every purchasing decision they make. Ethical behavior and integrity are fundamental tenets of the public procurement profession that derive from values like "fairness," "honesty," and "accountability." When an individual's official duties clash with the individual's personal interests, a "conflict of interest" may occur; this conflict may impair one's judgement when trying to determine the proper course of action. Any erosion of public trust or perception of impropriety is detrimental to the integrity of the procurement process; therefore, all TWU employees involved in procurement activities must act in an ethical, impartial, transparent, and professional manner.

### **Procurement Cycle:**

The Procurement Cycle identifies the five steps performed by Texas Wesleyan University procurement professionals for every procurement. The steps of the Procurement Cycle are summarized as follows:

- 1) Procurement Planning: Define the business need and establish the procurement objectives.
- 2) Procurement Method Determination: Identify the appropriate Procurement Method and, if applicable, issue a solicitation.
- 3) Vendor Selection: Fairly and objectively select the vendor that provides best value to the State.
- 4) Contract Formation & Award: Ensure that the awarded contract complies with applicable procurement laws and contains provisions that achieve the procurement objectives.
- 5) Contract Management: Administer and enforce the terms of the contract.

### **Competition and Price/Cost Analysis:**

All procurement must be conducted in a fair, competitive, and impartial manner. Price analysis is an objective look at the unit price from a vendor. For example, price analysis is simply comparing a granny smith green apple to a granny smith green apple. Cost analysis is a subjective and more complex comparison of contractual costs; it incorporates the reasonable cost to the vendor of producing the item to determine the fairness and appropriateness of the price quoted. For example, cost analysis incorporates: if the granny smith apples were grown locally or in China; are the apples old or near the expiration date; is the vendor reliable; were the apples grown pesticide free; is there a return policy if the granny smith apples are bruised; and can we return the apple if it is not eaten.

### **Soliciting:**

Soliciting competitive bids from vendors can be done through newspapers, sending letters to prospective vendors, or comparing prices online or through office supply catalogs. Solicitation for bids must clearly state all requirements the vendor must fulfill in order for the bid to be evaluated. The procurement should be given to the vendor whose bid or offer is responsive to the solicitation and is the most advantageous to the grantee agency (considering price, quality, and other applicable factors). Any and all bids or offers may be rejected when it is in the grantee agency's best interest to do so. This means that grantees do not have to accept the lowest bid received because other factors, such as quality of the product or service record of the vendor, also may be considered by the grantee in making the decision.

### Small and Large Purchases:

There are three available methods of procurement for each purchase which are summarized below:

- Small purchases: With very few exceptions the purchase of goods and services on behalf of TWU requires that a purchase order be done **prior** to the purchase being made unless you are using a University Purchasing Card. The purchase order or purchase order number is to be given to the vendor so that number can be referenced on the invoice.
- Large purchases: Purchases of more than \$5,000 must be made by obtaining competitive quotes. Purchasing personnel located in the Oneal-Sells Administration Building will assist you with that process.
- Sole source: For Procurement by noncompetitive proposals - any amount, it must meet one of the following four requirements:
  1. The item is available only from a single source.
  2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
  3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity (OSP/BMRA should route such a request to the federal agency and will manage as an Agency "prior approval" request); or
  4. After solicitation from several sources, competition is determined inadequate.

### Office Supplies

Texas Wesleyan University contracts with vendors for office supplies, please ask your department administrative assistant or the Grant Financial Coordinator for the current vendor. Items may be ordered online by using a department purchasing card. In order to do this, you must be set up as an end user. Please request a user ID through Purchasing. You may also take advantage of our contract if there is a local retail store. Our contract and tax exemption will load when your purchasing card is run through on the purchase. If you do not have a purchasing card, you can have your initiator issue a requisition for the items and the order will be placed by Purchasing for delivery to your department.

**Paper:** Paper is also an item that is purchased from a contract vendor. Cases of 8 ½ x 11 copy paper can be purchased via purchase order.

**Technology:** Purchase requests may be initiated by school or departmental administrators, through the approved school or departmental initiator. Technology purchase requests should address needs identified in the department's Strategic &

Operational Plan and be approved for purchase based on priorities established by your Vice President and IT.

Hardware items should be purchased per standards outlined on the [Technology Hardware Standards page](#). There are contract vendors for various technology items. Please ask

A requisition should be created based on the pricing shown on the information technology (IT) website and forwarded to your budget officer and the CIO for approval. The requisition initiator must indicate the location where the item is to be installed, who will be the primary user of the item, and the purpose for the purchase in the "Comments" section of the requisition.

Nonstandard items must go through an extensive approval process and will only be approved/supported if the hardware or software items are essential to the fulfillment of a department's role and mission. IT is available for consultation for those needs. Nonstandard purchases for academic areas must be approved through the Academic Technology department. Nonstandard purchases for administrative areas must be approved through IT and the appropriate Vice President. Once a nonstandard item has been approved for use, the standard purchasing process outlined above should be followed. Purchasing will be happy to work with you on the best vendor to supply the approved non-standard item. Technology purchases are allowed on the purchasing card.

### **Services:**

***Shipping:*** UPS is Texas Wesleyan University's urgent shipping provider of choice. TWU participates in a consortium contract that provides discounted rates well below what any other service offers. Please contact Purchasing for instructions on creating a user account so you can create your own shipping documents.

Please note that this account can be used when shipping through the mailroom but also at UPS store locations as long as our account number is on the shipping documents. Students may also take advantage of these rates by shipping their packages through the mailroom.

***Shredding:*** Texas Wesleyan University has a shredding program in place with Expanco. Expanco will come to campus every eight weeks to perform secure, onsite shredding and will issue a certificate of destruction the same day.

Please contact Purchasing for more information about joining the program.

**Furniture:**

Texas Wesleyan University departments wishing to purchase office furniture should consult with Purchasing to make sure that the furniture is suitable for commercial use in the area it will be placed. We will be happy to suggest vendors that not only have proper furniture but have pricing available based on our consortium contracts.

If you need space planning assistance, both preferred furniture dealers have consultants that can assist you with planning. All classroom furniture purchases must be requested through the Provost's office for funding and to ensure that standards are met.

**Printing:**

**Business Cards:** Business cards are ordered through ComarkDirect. The website link goes to the site where you are to input the information for your business cards. Once you have completed filling in the form and have submitted it, you will receive an email confirmation. Please proof this information carefully and if it is correct, have your initiator process a requisition to ComarkDirect. After the requisition is approved, Purchasing will turn it into a purchase order and release the order to production.

**Standard Letterhead and Envelopes:** Standard letterhead and envelopes can be obtained in the Mailroom.

**Multi-part Forms:** Texas Wesleyan University has three vendors to source multi-part forms. Please contact Purchasing with your requirements. Please note that the cost is significantly reduced if you have the form available to be transmitted to the vendor electronically. Once your department has approved a quote, a requisition should be done and Purchasing will forward the purchase order to the selected vendor.

**Departmental Letterhead, Envelopes, and Specialized Printing:** The Office of Marketing and Communications can assist you with obtaining quotes and selecting vendors for the production of departmental letterhead and envelopes as well as flyers, invitations, posters, and other specialized printing needs. Upon approval of a quote, a requisition must be done to the selected vendor for the purpose of creating a purchase order. The purchase order number should be given to the vendor prior to release of the order for delivery.

**Office Signage and Name Badges:** Texas Wesleyan University's preferred vendor is The Mulholland Company. You will need to create a requisition and include a line item for each type of name badge/sign that you need. The description should specify the item, size and color. Please note that magnetic name badges will be the type of name badge ordered unless otherwise directed.

**Travel:**

Rental Car Information: Enterprise and National.  
Please contact Purchasing for details on rental car discounts.

**Contract Purchasing:**

All purchases requiring a signed contract must go through a review process in the Purchasing department and must be signed ONLY by those employees authorized to sign via Board Authority (through the Vice President of Finance and Administration).

Contracts will be reviewed for Terms and Conditions that might be contrary to University policies for governing authority, liability acceptance, and various other terms that might be unfavorable to the University. If the purchase or lease for goods or services is of a complicated nature, it may be forwarded for further legal review.

Any items of concern that are found will be forwarded to the requesting department to address with their vendor. Once an agreement has been created that meets our policies, the contract will be forwarded for the appropriate signature. After the appropriate signature has been obtained, the signed original will be forwarded to the vendor and a copy sent to Purchasing.

The contract will be logged into the Purchasing contract database and a file created and maintained in Purchasing. Any amendments to the contract must be forwarded to Purchasing so that the contract file is complete.

Any contract signed must be tied to a purchase order or a blanket purchase order for payments that will be made within the current fiscal year. Multi-year contracts must be encumbered by a new purchase order or blanket purchase order at the beginning of each fiscal year so that funds can properly be encumbered for these contractual agreements.

**CONTRACT SIGNATURE AUTHORITY:**



Professional services and consulting agreements for their area that terminate within 12 months or less:

- Sr. Vice President, Provost
- Vice President for Advancement
- Vice President for Enrollment and Student Services
- Purchasing agreements tied to a purchase order
- **Director of Purchasing:** All other contracts related to the purchase or lease of goods and services:
- **Chief Financial Officer** (currently the VP for Finance and Administration)

OMB Uniform Guidance on Conflict of Interest in Procurement: “No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.”

#### **AFFIRMATIVE STEPS - 2 CFR 200.321**

To comply with 2 CFR 200, Texas Wesleyan University takes all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used if possible.

The detailed required affirmative steps can be found [at 2 CFR 200.321 \(b\)](#).

#### **TIME AND EFFORT REPORTING POLICY**

1. The principal investigator (PI) is responsible and accountable for compliance with all federal regulations associated with sponsored projects awarded under his or her supervision. **(Note 1)**



2. Effort is not based on a 40-hour work week, nor is it based on full time equivalent (FTE). Effort is an employee's total activity within her or his College appointment and includes all research, teaching, and administrative duties. Effort is comprised of all elements for which an employee is compensated by Texas Wesleyan University. This excludes any income that an individual is permitted to earn outside of duties for Texas Wesleyan University. Effort is expressed in percentage terms and must total 100%.
  - a. Texas Wesleyan University has elected to use a system of after-the-fact confirmation reports to document wages, as required by 2 CFR 200. These reports must account for 100% of each individual effort.
3. The individual signing an effort report confirms that the percentage distribution of activity on the report represents a reasonable estimate of the work performed by the listed employee for the documented period.
4. In preparing effort reports, employees are encouraged to refresh their memories by consulting available resources documenting their activities during the period. These documents may include leave reports for the period, calendars, schedules, correspondence, telephone logs, meeting documentation, journals, etc. In an event if a question arises, the external auditors or other reviewers may examine these records.
5. Federal regulations require the individual who certifies effort to have first-hand knowledge of the employee's activities. (Note 2) This requirement is met by requiring that the employee sign his or her own effort report, except in pre-approved and clearly documented circumstances that warrant a departure from the standard procedure, e.g. the individual is on leave of absence.
6. Timely certification and return of effort reports by College-established deadlines is a federal compliance requirement.
7. Sometimes there are legitimate reasons to modify the effort on a project subsequent to certification. These modifications are referred to as retroactive adjustments. Legitimate reasons DO NOT include manipulating funds for budget purposes or to charge one grant or contract to cover work activity actually expended for another project or work-related duty.
8. Any request for a retroactive adjustment requires a Letter of Justification (LOJ) that clearly sets forth why previous effort was erroneously certified, and why the requested change is more appropriate within the context of law, federal requirements, or College policies and procedures. LOJs are submitted to the Provost, with copies to Corporate & Foundation Relations and Business Services. Retroactive adjustments requested via a LOJ must occur within 90 days of recording the expenditure for which a reclassification is requested.

9. Federal requirements generally allow up to 90 days after the project period end date for final reporting. Final effort reporting and any retroactive adjustments must be completed before the final reporting deadline.
10. Remember, whether or not you agree philosophically with this structure for effort reporting, it is a federal requirement and a current focus of federal auditing programs. Recent non-compliance findings have resulted in multimillion-dollar fines at major, respected research institutions.

## Notes for time and effort reporting policy

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### Note 1: Effort Certification

Amounts charged to grant-supported projects for personal services must be based on an adequate payroll distribution system. Standards for payroll distribution systems are contained in the applicable cost principles. Examples of acceptable methods for payroll distribution are as follows:

- A plan confirmation system for professorial or professional staff based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution.
- Activity records system reflecting an after-the-fact reporting of the percentage distribution of activity of employees. For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every 6 months. For other employees, unless alternative arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.
- Multiple confirmation records system for professorial and professional staff, prepared each academic term, but no less frequently than every 6 months.
- By mutual agreement, any other method meeting the criteria specified in 2 CFR 200.

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### Note 2: Signature Certifications

To confirm that distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the record for each employee must include the signature of the employee or of a person having direct knowledge of the work, confirming that the record of activities allocable as direct costs of each sponsored agreement is appropriate. (Source: OMB website)

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## **TIME AND EFFORT REPORTING: KEY POINTS**

1. **A 40-hour work week is NOT the basis for “100% effort”.**
  - a. Under federal regulations on effort reporting, 100% effort is an employee’s total hours actually spent on work within the scope of his or her employment regardless of how many or how few hours an employee works and regardless of the percent FTE listed on the appointment.
  - b. Effort certification must reflect actual work performed and cannot be budget driven.
  - c. Just as an employee’s total effort is not defined by regular business hours of the employer or by the percent FTE of the appointment, research effort does not necessarily take place only in the research facility/lab or only on university premises. Research effort can occur at home, at a conference or in off-site research-related meetings, etc. If these types of hours are included in calculating research effort, they must also be included in the calculation of total effort.
2. **Federal auditors are looking for the following patterns that suggest that an effort certification is formulated by factors other than actual effort on the project:**
  - a. Patterns of retroactive adjustments to effort certifications or retroactive cost transfers. (Is there reasonable justification or does there appear to be a desire to “mop up” or transfer unused grant funds?)
  - b. Very small effort percentages on many grants. (Is it the actual research project contribution or just salary support?)
  - c. Research effort certifications that appear not to include accounting for actual administrative and/or teaching as part of total effort. If you certify research effort for your research grants totaling 95%, that leaves only 5% for all other work. If you are teaching two classes that each meet for three hours a week, classroom time alone equals six hours per week. For 6 hours to be 5% or less of your total effort – leaving at least 95% to meet your certified research effort – you need to be prepared to document the claim that your workweek is 120 hours or more.
3. **What if one or more of the patterns listed in item number 2 exist in my effort reporting but are legitimate reflections of my actual effort?**
  - a. Maintain documentation that supports your research contribution - in research content and in time/percentage of effort (calendars, correspondence, work products, etc.)
  - b. A request for retroactive adjustment to an effort certification requires a Letter of Justification.
  - c. If an adjustment is needed, do not delay - 90 days is the limit for accepting a retroactive adjustment.
4. **What if I disagree with this effort reporting approach?**
  - a. If you accept federal funds, you accept this obligation as a condition of taking the funds.
  - b. If you are skeptical about the magnitude and likelihood of serious jeopardy regarding noncompliance in effort reporting, please call the individuals below to get more information.
5. **What if I have questions related to effort certification?**
  - a. For technical questions about effort certification processes and paperwork, contact:  
**Senior Director of Sponsored Programs**  
817-531-7543 or [bbuilta@txwes.edu](mailto:bbuilta@txwes.edu)

## Time and Effort Reporting Form

In order to comply with the university and government's requirements for "time and effort reporting," this form must be completed near the end of each semester by each salaried faculty member or professional staff employee working on a federally-sponsored or state-sponsored project.

Name: \_\_\_\_\_ Department: \_\_\_\_\_

Semester reported:            Fall 20 \_\_\_\_            Spring 20 \_\_\_\_            Summer 20 \_\_\_\_

Provide a breakdown of your responsibilities for this semester. The total, including externally funded activities must equal 100%. *If your pay assignment changes during the semester, please complete a SEPARATE form with date range listed (use separate form for EACH date range).*

Teaching and teaching-related activities						%	
Scholarly & creative activities -- not externally funded						%	
Administrative activities						%	
Service activities						%	
Externally funded activities*				%	}		
				%			%
				%			
TOTAL						%	(should = 100%)

\*For the reporting period, indicate the breakdown (% time) spent on each funded project accomplishing the following tasks

		<u>Cost Center / WBS Element</u>					
Award:							
a)	Planning research		%		%		%
b)	Data collection (field, laboratory or library research)		%		%		%
c)	Data analysis		%		%		%
d)	Manuscript preparation		%		%		%
e)	Professional meetings/presentations		%		%		%
f)	Other (specify)		%		%		%
g)	TOTAL		%		%		%
Total externally funded activities:			%	(sum of sub-totals above)			

You **must** report the total percentage of time spent on each funded project. (Line G)

You are **strongly advised** to also report the percentage of time spent on the individual tasks (Lines A-F). Remember that work performed under a grant or contract may be subject to audit, and it is therefore essential that you retain accurate records and documentation of the work you have done (e.g., laboratory or field note books, data file, manuscripts, etc.) **for at least 3 years** after the end of the project (or longer if required by the agency).

Employee Signature	_____	Date:	_____
Supervisor Signature:	_____	Date:	_____
Principal Investigator Signature:	_____	Date:	_____

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**Signature Certifications**

To confirm that distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the record for each employee must include the signature of the employee or of a person having direct knowledge of the work, confirming that the record of activities allocable as direct costs of each sponsored agreement is appropriate. (Source: OMB website)

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**Due Dates:**

Fall Forms : January 30

Spring Forms- June 30

Summer Forms- September 30

Please send the completed form to **Brian Builta** [bbuilta@txwes.edu](mailto:bbuilta@txwes.edu). If you have any questions, please call Sponsored Programs and Foundation Relations at 817-531-7543.

## INDIRECT COST RATE POLICY

Indirect costs, also known as facilities & administrative costs (F&A) are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved (2 CFR 200).

On the other hand, direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (2 CFR 200.413).

### Approved Rate

The on-campus federal negotiated indirect cost rate approved by the U.S. Department of Health and Human Services (Organization's cognizant agency) is based on salaries and fringe benefits, which is 60%. Unless the sponsor has established a lower indirect cost rate or does not allow any indirect cost charge, all budget proposals should include the indirect cost charge of 60% applicable to salaries and fringe in the budget as shown below:

$$(\text{Grant budget salaries} + \text{fringe benefits}) \times 60\%$$

### Exceptions to the negotiated F&A cost rates

The University requires the full recovery of direct and indirect (F&A) costs whenever possible.

- Unrestricted grants from some Foundation might carry an indirect cost rate of 10% on total direct costs.
- If a sponsor disapproves the University negotiated rate but instead provides an administrative fee or an allowance. This amount should be remitted as indirect costs unless the sponsor has restricted it for fringe benefits or for sustainability of the program.
- Small seed grants which may attract future larger awards that will result in overhead recovery.
- Awards only include contributions on major equipment or building renovation funds.
- If a sponsor restricts the reimbursement of indirect cost to less than the full rate.
- Faculty & Staff stipend payments are restricted to only charge the FICA tax.

## **COST TRANSFERS (POLICY)**

Texas Wesleyan University has established the following policy for the processing of cost transfers to comply with the Uniform Guidance and the federal agency policies and procedures.

### **Policy Statement**

It is essential to have proper management of funds and the University policy that costs be charged to the appropriate grants when first incurred. However, it may be necessary in some circumstances to transfer expenditures after the initial General Ledger (GL) charge.

Transactions requiring Journal Entry or Payroll Redistributions are as follows:

- Original expenses that are less than \$500.
- Transaction made within the same month as the original charge.
- Transfers to correct an Account Code.
- Transfers to add or correct an Activity Code.

To comply with federal requirements, timeliness and completeness of the explanation of the transfer are necessary factors in supporting allowability and allocability.

### **Cost Transfers less than 120 Days**

Cost transfers must be timely. They should occur as soon as possible after the original transaction and be processed within 120 calendar days of the date of the original transaction. A cost transfer can only be made under appropriate circumstances when the expense qualifies as an allowable direct cost of the sponsored project being charged.

Typically, cost transfers are appropriate when their purpose is to:

- Correct errors in processing the original charges.
- Move costs between funds for closely related work (as defined by the project scope) that is supported by more than one funding source.
- Transfer pre-award expenses in accordance with the provisions of OMB Circular A-110, Section c.25.
- Retroactively adjust salary costs between projects to reflect an individual's actual effort on the projects.

Inappropriate circumstances include, but are not limited to, the following:

- Transfers solely for the purpose of utilizing an unexpended balance.
- Transfers for the purpose of avoiding a cost overrun by charging another, unrelated sponsored project.
- Transfers that circumvent pre- and/or post-award restrictions.

**Cost Transfers exceeding 120 Days**

Approval for cost transfers submitted later than 120 calendar days after the date of the original transaction will be granted in limited circumstances. Transfers that would result in the revision of a final financial report or invoice will generally not be approved.

For more information, please contact Grants Financial Coordinator.



## PROGRAM INCOME

2 CFR 200.80 defines program income as gross income earned by the University that is directly generated by federally sponsor-supported activity or earned as a result of the Federal award during the period of the performance.

The program income includes but it is not limited to the following:

- Fees earned from services performed under a project, such as laboratory tests
- Sale, rental, or usage fees, such as fees charged for the use of computing or laboratory equipment purchased with grant funds
- Funds generated from the sales of commodities and research materials, such as tissue cultures, cell lines and research animals
- Conference fees charged when a grant funds a conference
- Funds generated from the sale of items fabricated under the award

Unless listed in the Federal statues, regulations, or the terms of the award, program income does not include:

- Interest earned on advances of federal funds
- Income earned does not include rebates, credits, discounts, and interest earned on any of them.
- Income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks and inventions produced under an award.
- Income earned after the end of the period of performance.

## COST SHARING

Cost sharing is a commitment made by the University toward the total cost of the project. These costs represent actual expenditures above and beyond what a department is already spending for their operations. An approval is required before any University funds are committed.

The two types of sharing as follows:

- 1) Mandatory Cost Sharing
  - This type of cost sharing is required by the sponsoring agency as a requirement of the award.
- 2) Voluntary Committed Cost Share
  - This type of cost sharing is not required by the sponsoring agency but the University has committed funds voluntary. If voluntary costs share is included in the grant budget, it must be documented in the accounting records effectively.

### Allowable Cost Sharing Expenses

- It must be necessary, reasonable, and directly related to the project objectives.
- It must occur between the start and end dates of the project.
- It must be verifiable in the College's accounting or time and effort records. The tracking, reporting and certifying of cost sharing are subject to audit.
- It must be an allowable expenditure under Federal regulations (A-21) and the terms of the sponsoring award.

## **GRANT MONITORING & REPORTING**

Under 2 CFR 200, University must monitor the grant activities to assure compliance and ensure performance expectations are being met. Please check the grant terms and conditions to ensure what, when, and which reports must be submitted.

### ***Progress Reports***

The progress reports are usually required at least annually to document grantees programmatic and financial activities. They also inform the Funders on compliance with the terms of the grant award. Some Funders may require quarterly or semi-annually for effective monitoring.

### **Final Performance Reports**

The final performance reports are due 90 days after the project end date. A written justified request is needed to receive an extension on the final performance report. The report must include the following information:

- Comparison of the actual goals/objectives established for the period
- Reasons why goals were not met
- Explanation of costs

### **Due Dates**

The annual reports are due within 90 days after the reporting period.

The quarterly or semi-annual reports must be submitted within 30 calendar days after the reporting period.

## VII. Grant Closeout

### CLOSEOUT

An award closeout involves financial reconciliation, programmatic and financial reporting of a grant. This includes review of expenditures, making required corrections, collaborating with subrecipients and receiving documentation, and preparing final reports.

*Failure to submit reports by the deadline can result in termination of the grant.*

### CLOSEOUT RESPONSIBILITIES

#### **Principle Investigator**

- Confirm time and effort reporting
- Programmatic reporting is completed

#### **Sponsored Programs**

- Review the YTD financials
- Confirm posted expenses are accurate
- Review outstanding invoices
- Verify encumbrances
- Confirm subrecipients paid and unpaid invoices
- Process any required journal entries or cost transfers, if needed
- Close or modify any purchase orders
- Financial reporting is complete
- Terminate grant fund

## RECORDS RETENTION POLICY

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

- a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action is taken.
- b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
- e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- f) Indirect cost rate proposals and cost allocation plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
  - 1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-

through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

- 2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or another accounting period) covered by the proposal, plan, or other computation.

VIII. Appendices

Appendix I: Purchase Order Example

TEXAS WESLEYAN UNIVERSITY IS EXEMPT FROM PAYMENT OF TEXAS STATE AND LOCAL SALES/USE TAX UNDER APPLICABLE LAW  
FEIN 75-000691

Ship To:  
Texas Wesleyan University  
1201 Wesleyan  
Fort Worth TX 76105

P.O. No.: P0048799



Texas Wesleyan  
UNIVERSITY

Vendor:  
Jolin & Associates Inc.  
3217 Stadium Dr  
Fort Worth TX 76109

Date of Order	P.O. #		Ship Via	PO Invoice #	
06/24/20				Deborah J. Mulligan	
Quantity	Unit of Issue	Vendor Part No.	Item Description	Unit Price	Extended Cost
1.000			Cornu Uniform Deposit	5,318.58	5,318.58
1.000			Forest Oak Uniform Deposit	15,723.57	15,723.57
1.000			JT White Uniform Deposit	5,591.05	5,591.05
1.000			Logan Uniform Deposit	4,650.81	4,650.81
1.000			Mitchell Uniform Deposit	4,522.72	4,522.72
				<b>PO TOTAL</b>	<b>36,865.13</b>

Send Invoices To:  
Texas Wesleyan University  
ATTN: Accounts Payable  
1201 Wesleyan Street  
Fort Worth, TX 76105-1538

PO# must be referenced  
on all invoices, shipping  
labels and packing lists

*Deborah Cantt*  
Authorized Signature

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## Appendix II: Property Management Requirements

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Per 2 CFR 200.313, the following procedures are required for managing equipment including replacement of equipment if purchased in whole or in part with Federal funds.

The minimum requirements to maintain property records is as follows:

- Description of the property
- Serial Number or Other Identification Number
- Source of Funding (including FAIN)
- Name on the Title
- Acquisition data
- Cost of the property
- Federal grant which the property was acquired under
- % of Federal participation in the project costs
- Location of property
- Use of the property
- Condition of the property
- Disposition data:
  - Date of disposal
  - Sale price of the property

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### **2 CFR 200 Requirements:**

- 1) At least once every two years, the physical inventory must be taken and reconciled with the property records.
- 2) Internal controls must be in place for safeguarding assets against theft, loss, or damage. Investigation must be performed if property is lost, stolen, or damaged.
- 3) Maintenance procedures must be developed for upkeep.
- 4) To receive highest possible return, proper sales procedures must be established.
- 5) If equipment/property is not needed, disposition instructions must be request from the Federal awarding agency.



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### Appendix III: Grant Closeout Procedure

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Per 2 CFR 200, Texas Wesleyan University should complete all closeout actions for the Federal award in timely manner.

Below is a checklist of required steps to be taken to closeout the grant effectively:

- 90 days prior to completion of the grant, schedule a meeting with the PI
- Confirm time and effort reporting
- Review the YTD financials
- Confirm posted expenses are accurate
- Review the remaining grant budget
- Review outstanding invoices
- Verify encumbrances
- Confirm subrecipients paid and unpaid invoices
- Process any required journal entries or cost transfers, if needed
- Close or modify any purchase orders
- Records must be kept 3 years from the date of final report submission
- Programmatic reporting is completed (PI)
- Financial reporting is complete (Accounting)
- Review any match or cost-sharing requirements
- Terminate grant fund

Closeout Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

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**Note:**

*Some steps may not be required if a project is multiple year grant.*

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## Appendix IV: Grant Management Checklist

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### **Grant Information:**

Grant Title:

Grantor:

Grant Number:

Grant Budget Period:

Grant Performance Period:

### **NEW GRANT AWARD CHECKLIST (2 CFR REQUIREMENTS):**

1.  Written Standards of Conduct for Conflict of Interest
2. Performance Measurement
  - Relate financial data to performance accomplishments
3. Financial Management
  - Written procedures to implement the payment requirements
  - Written procedures for determining the allowability of costs

### **GENERAL GRANT MANAGEMENT**

1. Create an Electronic Grant File to include:
  - Copy of Proposal
  - Copy of Budget
  - Copy Notice of Award
  - List of Contacts with Names, Emails, & Phone Numbers
  - Calendar of Due Dates (Performance & Financial)
  - Team Development Meeting Notes
  - Any Communication from Funder Relevant to Performance or Financial
  - Internal Reports to Measure Performance Goals

## **GRANT SET-UP, ACCOUNTING, INTERNAL CONTROLS, REPORTING**

1. Financial System
  - Create Fund Number
  - Set up Grant in Financial System
  - Enter Grant Budget
  - Set up Grant Accounting Process for Reimbursements
  - Set up Grant in Grant Management System
  - If tracking grant by activity codes, Create & Assign
  - Share information with grant team
  
2. Grant Accounting
  - Process for Purchasing with Grant Funds
  - Approval of Expenditures
  - Reconciliation Process
  - Time & Effort Certifications
  - Expense Documentation
  - Internal Reports
  
3. Grant Internal Controls
  - Compliance with Federal Statues, Terms & Conditions of Grant
  - Compliance with 2 CFR 200
  - Compliance with Organizational Policies & Procedures
  - Procedures & Records for Property Standards
  
4. Grant Reporting
  - Programmatic Reports Due Date:
  - Financial Reports Due Date:

## **GRANT SUBRECIPIENTS**

1. Subrecipient Monitoring
  - Subrecipient Contract
  - Review of Invoices
  - Progress Reports
  - Audit Reports
  - Evaluation for Noncompliance

## **GRANT CLOSEOUT**

1. Grant Closeout
  - Fund Termination
  - Surplus & Deficit Balances
  - Final Report Submission
  - Extension Request (if needed)
  - Share with Grant Team (email)

## **GRANT RETENTION**

1. Record Retention
  - Retain records for 3 years from the date of final report submission
  - If Litigation, Claim or Audit, wait until the completion