

Financial Management of Federal Grant Funds Policy

When the University seeks to obtain local, state or federal grants the following procedures are to be followed:

The President and/or Board of Trustees (when required) must approve outside grants received by Methodist University. Upon approval, the Vice President of Business Affairs in partnership with any cooperating organizations and other invested University employees completes and submits the grant application. If the grant is awarded, the Vice President of Business Affairs will appoint a Grants Coordinator (typically a member of the Controller's staff) and a Program Manager (typically a faculty member associated with the grant), and together these staff members will serve as primary managers of the grant. Copies of the approved grant documents (including proposal, budget and award letter) are to be distributed to both the Institutional Advancement and Accounting offices. The office of Institutional Advancement will ensure grantor acknowledgement and the Controller's office will record the grant revenue and monitor expenses for compliance with grant objectives and requirements.

Upon receipt of award notification and instructions, the Grants Coordinator, with the approval of the Vice President of Business Affairs, will complete and submit any required documentation such as the award acceptance letter and ACH enrollment forms. The Grant Coordinator will establish any needed general ledger accounts for each grant that is awarded to the University and will assign a unique project number to each individual grant which will be used in tracking all revenues and expenses associated with the grant. Federal grant receipts are coded to the revenue account "Federal Grants and Contracts" while grant expenses are coded in accordance with the natural classification of the expense. The Grant Coordinator will create and utilize Excel spreadsheets for tracking expenses, comparing actual to budgeted expenditures, and tracking remaining available funds. Any deviations from the budget require prior approval from the Vice President of Business Affairs and, if necessary, from the grantor.

The Vice President of Business Affairs, Grants Coordinator, other financial staff as appropriate, and other University staff members associated with the completion of the grant award, will meet to review and discuss both the program and financial management procedures of the grantor. In the event additional procedures are identified that should be employed, such procedures should meet the requirements of OMB Circulars A-122 and A-110. During this meeting individual responsibilities will be assigned and a time-line including critical deadlines will be established.

During the grant period, University staff involved with the fulfillment of the grant, will make purchases in accordance with both the grantor's and University's procurement policies and procedures (to include competitive bidding) and will annotate by means of general ledger coding and project number assignment that said expenses are associated with the grant.

The Grant Coordinator will be responsible for completing and submitting all financial progress reports, including Financial Status Reports (SF-425) and conducting periodic site visits to any sub-grantees. This visit will include a review of the receipt of goods, insuring the goods are used solely for the authorized purpose and to assure proper documentation and safekeeping of assets.

The Controller will monitor for compliance with grant guidelines all financial matters associated with the grant. This will include monitoring of grant revenues and expenditures, requesting grant funds, administering any program income, and any other grant related activities, including oversight of the submission of any program reports prepared by other University staff associated with the award.

The Grant Coordinator and Controller will ensure properly obligated funds are expended within 90 days of the end of the award, and that requests for grant funds are submitted as reasonably possible as to match the timing of the payment of expenses.

The Grant Coordinator will submit all final financial reports within 90 days after the completion of the award. An inventory of property acquired with grant funds will be conducted at a minimum of every two years.

Accounting policies and procedures should be reviewed annually to ensure adequate control and oversight of grant funds.