

Financial Management of Federal Grant Funds Policy

The following procedures will be followed when the University seeks to obtain local, state or federal grants.

Any outside grants received by Methodist University will be approved by the President and/or Board of Trustees (when required) before the grant program begins. Upon approval, the Grants & Sponsored Research Officer, in partnership with the Vice President for Business Affairs and any cooperating organizations and other invested University employees will complete and submit the grant application. If the grant is awarded, the Vice President for 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 the primary managers of the grant. Copies of the approved grant documents (including proposal, budget, contract and award letter) will be held in the Controller's Office and distributed to the Grants and Sponsored Research Office and the Institutional Advancement Office. The Controller's office will record the grant revenue and monitor expenses for compliance with grant objectives and requirements. The Grants & Sponsored Research Office will coordinate submission of timely programmatic reports and other communications with the granting agency throughout the life of the grant. The Office of Institutional Advancement will ensure grantor acknowledgement.

Upon receipt of award notification and instructions, the Controller's Office, with the approval of the Vice President for Business Affairs, will complete and submit any required documentation such as the award acceptance letter and ACH enrollment forms. The Controller's Office 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 will be coded to the revenue account "(Govt Contracts/Grants) - U - Federal," while grant expenses will be 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 will require prior approval from the Vice President for Business Affairs and, if necessary, from the grantor.

At the start of the grant period, the Vice President for Business Affairs, Grants Coordinator, Grants & Sponsored Research Officer, Program Manager and other University staff as appropriate will meet to review and discuss both the program and financial management procedures required of the grant. 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 annotate by means of general ledger coding and project number assignment that said expenses are associated with the grant. All grant related expenses require prior approval of the assigned grant manager and their respective Vice President before purchases can be made. Because purchasing cards (p-cards) do not require up front approval before the time of purchase, p-cards may not be used for payment of any grant-related expenses. Purchases made with grant funds can only be made through the use of a University corporate credit card or purchase order.

The Controller's Office 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 where applicable. 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's Office 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 Controller's Office will oversee distribution of all cost reimbursements received by the University. Indirect costs will be allocated as follows: 20% to Program Manager/Principal Investigator (SP account); 10% to the Department Chair (SP account); 10% to the Dean/School in which the grant program resides; 10% to the Provost (SP account for the Academic Affairs department); and 50% to the University General Operating fund.

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

The Controller's Office 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 are to be reviewed annually to ensure adequate control and oversight of grant funds.