

Elon University Sponsored Programs/Post-award Grant Handbook

Table of Contents

Introduction

I. The New Award

- A. *Accepting an Award*
- B. *Advertising an Award*

II. Getting Started

- A. *New Award Meeting*
- B. *Internal Grant Account Number*

III. Money Matters

- A. *Pre-award Costs*
- B. *Multiple Grants*
- C. *Stipend Payments From a Grant*
 - 1. *Faculty/Staff Grant Stipend Request Form*
 - 2. *Signature Authority Thresholds*
 - 3. *Internal Training and Effort Certification Requirements*
- D. *Grant Expenditures: Processing Payments and Reimbursements*
 - 1. *Purchase Requests and Check Requests*
 - 2. *P-Card Purchases*
 - 3. *P-Card Transaction Log for Grant Expenditures*
 - 4. *Payments to Independent Contractors for Services*
 - 5. *Getting Reimbursed for Out-of-Pocket Expenditures*
 - 6. *Travel*
 - 7. *Indirect Costs*
- E. *Crossing Fiscal Years*
- F. *Allowable Costs*
- G. *Procurement of Supplies and Equipment*
- H. *Subcontracts and Procurement of Services*

IV. Hiring Employees with Grant Funds

- A. *Hiring Process*
- B. *Hiring Current Elon Students on Grants*

V. Reporting Requirements

- A. *Financial Reports*
- B. *Other Reports*

VI. Changes to Project and/or Budget

- A. *Changes to the Budget*
- B. *Other Project Changes*
- C. *No-Cost Extensions*

VII. Award Closeout

VIII. Campus Contacts

Introduction

The Office of Sponsored Programs (OSP) at Elon University promotes and facilitates research and scholarly activities for faculty and administrative staff by assisting them with identifying and securing extramural funding, developing proposal narratives and budgets, completing standardized application forms, assuring compliance with applicable federal and state regulations and negotiating grant awards and contracts. Once an award is received, the OSP assists with budget oversight, compliance with award and university policies, monitoring report deadlines, effort reporting, and sponsor approval for requested changes.

This handbook was created to guide faculty and staff who have secured external funding.

I. The New Award

A. Accepting an Award

Funding agencies award grants to Elon University on behalf of the individual Principal Investigator (PI) or Project Director (PD). As such, often the notice of award is sent to the OSP. If the award documents are sent directly to a PI/PD, the PI/PD should notify the OSP and forward the documents immediately for processing and to secure account setup. The Authorized Organizational Representative (AOR) for Elon is the OSP Director. Any documents that require an institutional signature should be sent to her attention. An award document should never be executed by the PI/PD.

All institutional awards are made to Elon University, not to an individual.* In order for Elon to accept an award, specific information must be contained within the award document(s) issued by the sponsor. This includes the:

1. Period of Performance: the period from the authorized start date to the authorized end date of a project
2. Scope of Work: a narrative description of the work to be completed under the agreement
3. Award Amount: the dollar value of the award
4. Sponsor Contact and Billing Information: the point of contact, including mailing address, telephone number, and any invoicing procedures

*Please note that this process does not apply to awards that are paid directly from the sponsoring agency to an individual (e.g. most fellowships).

The OSP will coordinate formal review and acceptance of the award terms and conditions, assist with negotiations and publicity, and work with the Grant Accountant to establish a separate, restricted grant account for award expenditures.

It is the responsibility of the PI/PD to read the award document(s) and become familiar with reporting requirements and all aspects of the award--**both with the scholarly activity and the proper fiscal administration.** Primary responsibilities of the PI/PD include project, expenditure, employee, reporting, and subcontract management (if applicable).

B. Advertising an Award

Congratulations! An external grant is fantastic news for the PI/PD, the department, students, and Elon University as a whole. This important accomplishment should be shared with the Elon community.

When a grant is awarded to Elon on behalf of a faculty or staff member, the OSP will post this information on the OSP website as well as on the website of the PI/PD's department via E-net. OSP will also inform the Associate Provost for Faculty Affairs, the Dean, and the Grant Accountant. In some instances the Associate Provost will contact University Relations to write a feature piece for E-net. Occasionally University Relations will write a press release for wider distribution.

II. Getting Started

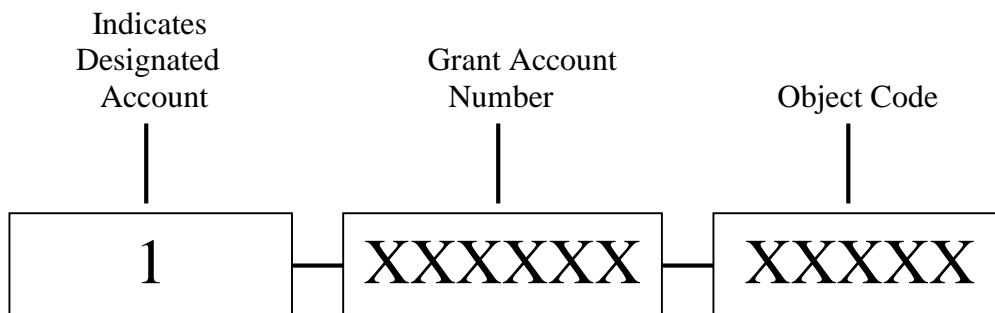
A. New Award Meeting

The Grant Accountant will set up a restricted grant account for new grant awards. Representatives from Accounting and the OSP will meet with each new awardee to review the award document, discuss procedures for expending funds, and to answer any questions related to the terms of the grant as outlined in the award document.

B. Internal Grant Account Number

Each PI/PD will receive an account number to be used for all transactions related to the grant budget. The first digit will be "1", indicating that it is a designated account. As a designated account, it may only be used for the purposes defined in the award documents. The following six digits represent the "grant account number," which is unique to each particular grant.

Within each grant account number, there are several specific account lines to which expenditures are charged, depending on the nature of the expense. Each of these lines is designated by a five digit object code. For example, grant supplies are charged to object code 51059.



The grant account is made up of multiple 12-digit account numbers. A typical grant account might look like this:

- 1-XXXXXX-41001 Grant (for deposit/receipt of funds)
- 1-XXXXXX-50005 Faculty Wage (for the PI/PD Salary)
- 1-XXXXXX-50050 Student Labor
- 1-XXXXXX-50500 Benefit Account
- 1-XXXXXX-51059 Grant Lab Supplies
- 1-XXXXXX-86098 Equipment
- 1-XXXXXX-88505 Administrative Allowance/Indirect Cost

In order for a transaction to be posted to the grant account, a complete account number of 12 digits is required.

PI/PDs are given access to their grant account in OnTrack: My Budgets, where all transactions posted to the grant account can be reviewed. If you cannot access your account in OnTrack, contact Courtney Saul (x5263 or csaul@elon.edu).

If any questions arise regarding grant account activity, please contact Jenny Chapman (x6614 or jchapman7@elon.edu) or Courtney Saul, (x5263 or csaul@elon.edu).

III. Money Matters

A. Pre-award Costs

Some funding agencies will allow the University to incur allowable and allocable pre-award costs 90 calendar days prior to the award start date. Pre-award expenditures are made at the University's risk. The funding agency has no obligation to reimburse the University if an award is not subsequently made or is less than expected.

The University may permit the expenditure of funds within the 90 day period only for costs that are absolutely necessary for the start-up of a project. This mechanism may not be used for the normal expenditure of funds.

Requests to incur pre-award costs must be submitted in writing to Bonnie Bruno (bbruno2@elon.edu) and should include an explanation as to why the expenditure is necessary for the effective and economical conduct of the project. Pre-award expenditures must be approved by the Associate Provost of Faculty Affairs before incurring or obligating the University to incur any pre-award costs.

B. Multiple Grants

Co-mingling of grant funds is expressly prohibited. If a PI/PD is the recipient of more than one grant award, separate grant accounts will be established for each award. It is the responsibility of the PI/PD to ensure that expenses and effort are charged to the appropriate grant account number so that there is no comingling of funds.

C. Stipend Payments From a Grant

1. Faculty/Staff Grant Stipend Request Form

A Faculty/Staff Grant Stipend Request Form must be completed and proper signatures obtained before a stipend can be paid from a grant budget. **All** personal reimbursements require a signature from the PI/PD and an additional signature based on the Signature Authority Thresholds (see below). This includes travel expenditures or reimbursements of any type where money is received by you. Once signed, the Stipend Request Form should be sent to Courtney Saul, 2900 CB, for processing. In order for the grant salary to be paid at the end of the month, the form must be completed, signed by all parties, and received by Courtney Saul by the 10th of the month.

All requests for payment (check requests, invoices, stipend requests, purchase requisitions, P-Card expenses, etc.) must be sent directly to Courtney Saul at 2900 Campus Box.

2. Signature Authority Thresholds

Including the PI/PD's signature, department chairs/budget managers may sign up to \$999 without further approval.

Associate Deans may sign up to \$1999 without further approval.

Academic Deans may sign up to \$2999 without further approval.

Tim Peebles may sign requests of up to \$15,000 without further approval.

The Provost or VP for Business, Finance and Technology may sign up to \$24,999 without further approval.

For purchases \$25,000 to \$100,000, the Provost and VP for Business, Finance and Technology MUST sign. When the Provost is not available, the President and the VP-BFT may sign.

All Pro Card statements must be signed by the PI/PD AND their supervisor. This applies to all expenditure levels.

3. Internal Training and Effort Certification Requirements

Before any salary or wages are paid from a grant, the PI/PD and all researchers who are receiving salary support on a grant-sponsored project must complete the approved effort certification requirements:

Effort Certification Requirements: A completed Effort report should be submitted to the appropriate dean/supervisor for review on a semester basis. Effort is reported using a fully online system available at the Effort Reporting Form button at: www.elon.edu/sponsoredprograms. Instructions for completing the effort report are available on the website. Individual or group training sessions are provided by the Grants Coordinator. Once the form is completed by the PI/PD, it is transmitted to the appropriate dean or supervisor for review and then sent to the Grants Accountant

D. Grant Expenditures: Processing Payments and Reimbursements

All purchases must have proper signature approval. See C2, above.

All purchases must be allowable. Please see E., "Allowable Costs," for more details.

All requests for payment (check requests, invoices, stipend requests, purchase requisitions, P-Card expenses, etc.) must be sent directly to Courtney Saul at 2900 Campus Box.

1. Purchase Requests and Check Requests

A Purchase Request is used to order supplies, equipment, materials, etc. The Check Request for Grant Expenses form is used for limited subscriptions, membership fees, registration fees, etc.

2. P-Card Purchases

A P-card can be used to make purchases for grant expenditures up to the P-Card limit. If making a single purchase, consider the single transaction limit tied to the card. For example, if there is a single transaction limit of \$1,500, you can make a single purchase up to \$1,500 without submitting a Purchase Request. However, if a single purchase is over your single transaction limit, a purchase request should be used instead and submitted to Courtney Saul at 2900 CB. For detailed policy and procedural information, please go to: www.elon.edu/purchasing or contact Jeff Hendricks (x5580 or jhendricks4@elon.edu).

3. P-Card Transaction Log for Grant Expenditures

The P-Card transaction log should be completed on a monthly basis, when a P-Card has been used for any grant related expenditures. One form should be used per cardholder. Once completed, the form should be sent to the Grant Accountant via email (csaul@elon.edu) or at Campus Box 2900.

4. Payments to Independent Contractors for Services

An Elon check request must be completed and an invoice from the contractor attached. The PD/PI must sign the check request and secure signature from the appropriate signatory authority based on the check request amount, (see signatory thresholds on page 4.) If the contractor has not been paid by Elon in the past, a W-9 must be completed by the contractor and attached to the check request and invoice. The completed documents should be sent to Courtney Saul, 2900 CB for processing. Do **not** pay out-of-pocket for services. Do **not** use a purchasing card to pay for services.

5. Getting Reimbursed for Out-of-Pocket Expenditures

Request for reimbursement of out-of-pocket expenditures should be submitted on a Check Request Form. Petty Cash cannot be used for grant reimbursements. Do **not** pay out-of-pocket for services.

6. Travel

Reimbursement for travel expenses is received after the trip is completed and a Grant Travel Reimbursement Request form is submitted to the Courtney Saul at 2900 CB with itemized receipts attached. (Entertainment expense is **not** an allowable cost for federal grants.) Alcoholic beverages are not reimbursable by the University or granting agency. Travel expenses include:

- Meals/food
- Hotel/lodging (an itemized lodging invoice must be included)
- Gas
- Supplies
- Taxi Fare
- Parking
- Airfare
- Trips
- Conference Registration
- Mileage

When requesting a mileage reimbursement, a printout detailing miles traveled (ex: MapQuest or Google Maps driving directions) must be included.

Petty cash reimbursements from the Bursar's Office for grant travel is prohibited.

7. Indirect/F&A Costs

Indirect costs are those expenditures not readily identified with a specific project or organizational activity but incurred for the joint benefit of both projects and other activities. Indirect costs are frequently referred to as facilities and administrative costs or overhead expenses (ex: rent, utilities) and general and administrative costs (ex: officer's salaries, accounting department costs and departmental personnel costs). Indirect Cost rates are charged to grants by journal entry based on the indirect cost allowed in the individual grant agreement. For reference, in applying for grants, Elon's current Cost Rate Agreement with the Department of Health and Human Services is 51.8% of salaries and wages on campus and 26.5% of salaries and wages off campus.

E. Crossing Fiscal Years

Elon's Fiscal Year Cycle runs from June 1 through May 31. However, your grant cycle is based on sponsor-approved start and end dates, per your award document, not Elon's fiscal year. However, you should monitor funds in OnTrack over multiple fiscal years to ensure grant funding is carried forward at the beginning of Elon's new fiscal year.

F. Allowable Costs

OMB (Office of Management and Budget) Code of Federal Regulations Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance), establishes principles for determining costs applicable to grants, contracts, and other agreements.

The Uniform Guidance lists seven general tests for allowability. For any costs to be charged directly to a federal award the expense must follow the cost principles defined by the guidelines below:

- a) Be necessary and reasonable for the performance of the Federal Award and be allocable thereto under these principles.
- b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as in indirect cost.
- e) Be determined in accordance with generally accepted accounting principles (GAAP).
- f) Not be included as a cost or used to meet cost sharing or matching requirements of any federally-financed program in either the current or prior period.
- g) Be adequately documented.
 - a. Documentation is required to justify any expense charged to a federal award. The backup for expenditures should be adequate to support and justify that:
 - i. The expense provides a direct benefit to the award.

- ii. The expense complies with any award restrictions and approval requirements outlined in the terms and conditions of the award.
 - iii. If needed the expense qualifies as “unlike purpose and circumstance” on a federal award.
- b. Special documentation is required under certain circumstances.

Below is a chart referring to specific examples of allowable and unallowable costs. Please note, this is not a comprehensive list, but rather a common list of expenditures:

ALLOWABLE AND UNALLOWABLE CHARGES TO GRANTS

Section	Item	General Rule
200.421	Advertising and public relations	Only allowable in specific circumstances
200.422	Advisory councils	Unallowable
200.423	Alcoholic Beverages	Unallowable
200.424	Alumni/ae activities	Unallowable
200.425	Audit Services	Allowable
200.426	Bad Debts	Unallowable
200.427	Bonding costs	Allowable
200.428	Collection of improper payments	Allowable
200.429	Commencement and convocation costs	Unallowable
200.430	Compensation-personal services	Allowable
200.431	Compensation-fringe benefits	Allowable
200.432	Conferences	Allowable
200.433	Contingency provisions	Actuals allowable
200.434	Contribution and donations	Unallowable
200.435	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	Unallowable
200.436	Depreciation	Allowable
200.437	Employee health and welfare costs	Allowable
200.438	Entertainment costs	Unallowable
200.439	Equipment and other capital expenditures	Only allowable in specific circumstances
200.440	Exchange rates	Allowable
200.441	Fines, penalties, damages and other settlements	Unallowable
200.442	Fund raising and investment management costs	Unallowable
200.443	Gains and losses on disposition of depreciable assets	Allowable
200.444	General costs of government	Unallowable
200.445	Goods or services for personal use	Unallowable
200.446	Idle facilities and idle capacity	Only allowable in specific circumstances
200.447	Insurance and indemnification	Allowable
200.448	Intellectual property	Allowable

200.449	Interest	Only allowable in specific circumstances
200.450	Lobbying	Unallowable
200.451	Losses on other awards or contracts	Unallowable
200.452	Maintenance and repair costs	Allowable
200.453	Materials and supplies costs, including costs of computing devices	Allowable
200.454	Memberships, subscriptions, and professional activity costs	Allowable: Business, Technical, and Professional Organizations or Periodicals; Civic or Community Organization with prior approval by the Federal Awarding Agency or PTE Unallowable: Country Club or Social/Dining Club or Organization
200.455	Organization costs	Unallowable
200.456	Participant support costs	Allowable
200.457	Plant and security costs	Allowable
200.458	Pre-award costs.	Allowable
200.459	Professional service costs	Only allowable in specific circumstances
200.460	Proposal costs	Allowable
200.461	Publication and printing costs	Allowable
200.462	Rearrangement and reconversion costs	Allowable
200.463	Recruiting costs	Allowable
200.464	Relocation costs of employees	Only allowable in specific circumstances
200.465	Rental costs of real property and equipment	Allowable
200.466	Scholarships and student aid costs	Allowable
200.467	Selling and marketing costs	Unallowable
200.468	Specialized service facilities	Allowable
200.469	Student activity costs	Unallowable
200.470	Taxes (including Value Added Tax)	Allowable
200.471	Termination costs	Only allowable in specific circumstances
200.472	Training and education costs	Allowable
200.473	Transportation costs	Allowable
200.474	Travel costs	Unallowable in specific circumstances
200.475	Trustees	Allowable

Prior written approval:

Under any give Federal Award, the reasonableness and allocability of certain items of cost may be difficult to determine. In order to avoid subsequent disallowance or dispute based on reasonableness or non-allocability prior written approval of the awarding agency in advance of the incurrence of special, or unusual, costs may be required. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior written approval is specifically required for allowability as described below.

Items requiring prior approval must be requested specifically and approved in the proposal budget or must be requested, in writing, before the expense is charged to the award. In most cases, written approval from the program officer is not sufficient; refer to the terms and conditions of the award for the information regarding who can authorized changes to the award budget.

Only those costs that meet the criteria for direct expenses on a federal award can be directly charged to an award under any circumstances.

Per the Uniform Guidance, prior written approval from the sponsor is explicitly required for:

- 1) Change of key personnel (200.308(c)(2))
- 2) Change of scope (200.308(c)(1))
- 3) Cost sharing or matching (200.208(c)(7))
- 4) Effort reduction of key personnel greater than 25% or PI/PD disengagement from project of greater than 3 months (200.308(c)(2))
- 5) Equipment and other capital expenditures (200.313, 439)
- 6) Exchange rates (200.440)
- 7) Fines, penalties, damages and other settlements (200.441)
- 8) Fixed amount sub awards (200.332)
- 9) Fundraising and investment management expenses (200.442)
- 10) Goods or services for personal use – housing only (200.445)
- 11) Memberships in any civic or community organization (200.457(c))
- 12) Organization costs (200.455)
- 13) Participant support costs, any transfer of budget (200.308(c)(5) and 200.456)
- 14) Rearrangement and reconversion expenses (Renovations) (200.462)
- 15) Selling and marketing costs (200.467)
- 16) Travel costs (200.474(c)(2))
- 17) Use of program income (200.307)

The following require either inclusion in the proposal budget OR prior approval from the sponsor if not originally budgeted:

- 1) Administrative expenses (200.413(c))
- 2) Entertainment costs (200.438)
- 3) Sub awards, any changes or transfers (200.308(c)(6))
- 4) Supplemental compensation for incidental activities (200.430(h)(iii))

The following may require prior approval OR be allowable under Expended Authorities:

- 1) Carry forward (200.308(d)(3))
- 2) No cost extension (200.308(d)(2))
- 3) Pre-award expenses (200.458)

Administrative & Clerical Salaries (200.413)

The Uniform Guidance clarifies salaries of administrative and clerical staff should be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate if the following conditions are satisfied:

- 1) The services are integral to the project or activity;
- 2) Individuals involved can be specifically identified with the project or activity;

- 3) Such costs are explicitly included in the budget or have the prior written approval from the federal agency; and
- 4) The costs are not also recovered as indirect costs (F&A)

Compensation-fringe benefits (200.431):

- Fringe benefits are allowances or services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity employee agreement, or an established policy of the non-Federal entity.
- Leave: The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits are allowable if the following criteria are met:
 - a. They are provided under established written leave policies;
 - b. The costs are equitably allocated to all related activities, including Federal awards; and
 - c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees.
- Elon's written leave policies can be found in section V of the Staff Manual.

Computing Devices (200.453)

The Uniform Guidance clarifies that Computing Devices are generally considered "supplies" and can therefore be directly charged to federally sponsored projects as long as they are essential and allocable to the performance for a federal award. No longer must they be solely dedicated to a specific award. Any computing device costing more than \$5,000 should be treated as "equipment."

Review of Expenditures

The PI/PD is ultimately responsible for all aspects of the project, including ensuring all grant expenditures are reasonable, allocable, consistent and allowable to the project. To ensure proper accounting, the Grant Accountant must approve all expenditures prior to payment. The Grant Accountant and the OSP will review all grant expenditures to ensure the expenditures are reasonable, allocable, and allowable based on Cost Principles set forth in the Uniform Guidance.

G. Procurement of Supplies and Equipment

The federal government imposes a set of standards for the acquisition of supplies, equipment and real property purchased with federal funds. The purchasing process followed by the University must comply with the minimum standards imposed by the Uniform Guidance. Universities can establish thresholds at which different standards apply.

Regardless of the cost of the acquisition, the following **Code of Conduct** applies:

No employee, officer, or agent of the University shall participate in the procurement of goods and equipment supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of

these parties, has a financial or other interest in the firm selected for an award or purchase. The officers, employees, and agents of the University shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or contractors.

Regardless of the cost of the acquisition, grant recipients are required to avoid purchasing unnecessary items.

Purchasing procedures per threshold amounts

The threshold amounts below refer to the total cost of the purchase. For example, the purchase of three \$900 laptops for a lab is considered to be a \$2,700 purchase, not three items under \$1,000. A \$90,000 equipment purchase with a \$5,000 delivery and set-up fee and \$8,000 in ancillary parts would be a purchase over \$100,000.

Below \$1,000: There is no formal quotation or documentation requirement. The University expects that vendors will be selected based on their ability to meet quality standards and to be the lowest cost provider at the specified quality level.

Please note the following for all purchases over \$1,000: A purchase order is required for all purchases over \$1,000. Further, any purchase over \$1,000 requires documented or written quotations, which the PI/PD should keep on file. A quotation is a statement from a vendor regarding the price for a specific good or service. Based on any quotes received, the vendor that meets the quality standards at the lowest cost should be selected.

Acquisitions from \$1,001 to \$9,999: Two or more quotations should be solicited, either in writing, via the Internet or by telephone. If a competitive market does not exist for the specific item being acquired, this fact should be documented by the PI/PD of the project.

Acquisitions from \$10,000 to \$99,999: Three or more written quotations should be solicited from vendors. The quotations should detail the specifications of the item(s) to be purchased and should include other qualifying characteristics being considered in the selection of a vendor, such as delivery and time frame. If the market for the specific item being acquired does not allow for three competitive quotations, this fact should be documented by the PI/PD of the project.

Acquisitions over \$100,000: Three competitive written quotations should be solicited.

An acquisition over the threshold amount of \$100,000 made in whole or part with federal funds must comply with the procurement standards established in the Uniform Guidance. Among the standards for this threshold of procurement are:

- An analysis of lease and purchase alternatives to determine the most economical and practical procurement for the federal government.
- Solicitations should include a clear and accurate description of the technical requirements, specifications and all other factors that will be used in evaluating bids. The description should not contain features which unduly restrict competition.
- Preference, to the extent practicable and economically feasible, for products that preserve natural resources, protect the environment and are energy efficient.
- Positive efforts to utilize small businesses, minority owned firms and women's business enterprises whenever possible.

- No contract shall be made to parties listed on the General Service Administration’s (GSA) list of Parties Excluded from Federal Procurement or Non-Procurement Programs (<https://www.epls.gov/>). This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority.
- Procurement records and files for purchases must contain at least three elements under federal rules:
 1. **Basis for the contractor selection.** Information showing how the University arrived at the decision to accept the bid of or award the contract to that particular vendor.
 2. **Justification for lack of competition when competitive bids or offers are not obtained.** A departure from the “free and open competition” standard imposed by the federal government requires justification. Unique capacity or ability on the part of the contractor (such as specialized research services from a skilled party) is frequently sufficient justification. Nevertheless, because the action represents a departure from normal practice, it is one that is likely to receive close scrutiny in audits or other reviews conducted by awarding agency officials.
 3. **Basis for the award cost or price.** The cost and price analysis should be documented to establish that the institution has obtained a fair price.

Equipment

Equipment is defined by the Uniform Guidance as “tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more per unit.” If the purchase of equipment is allowable under the terms of the grant, it is the responsibility of the PI/PD to purchase the equipment in accordance with the established purchasing practices of the University and to ensure the proper receipt, inventory tracking identification and proper operational condition and maintenance of the equipment. Equipment acquired with external support becomes the property of Elon unless restricted by the sponsor.

The following rules of allowability must apply to equipment and capital expenditures:

- 1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.
- 2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.
- 3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity.
- 4) When approved as a direct charge pursuant to paragraph 1) through 3) of this section, capital expenditures will be charged in the period in which the expenditure is incurred, or otherwise determined appropriate and negotiated with the Federal awarding agency.
- 5) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the Federal cognizant agency for indirect cost.
- 6) Cost of equipment disposal. If the non-Federal entity is instructed by the Federal awarding agency to otherwise dispose of or transfer the equipment the costs of such disposal or transfer are allowable.

7) Equipment and other capital expenditures are unallowable as indirect costs.

H. Subcontracts and Procurement of Services

The federal government imposes a set of standards regarding subcontracting and procurement of services with federal funds. The process followed by the University must comply with the minimum standards imposed by the Uniform Guidance. Universities can establish thresholds at which different standards apply.

Regardless of the cost of the acquisition, the following **Code of Conduct** applies:

No employee, officer, or agent of the University shall participate in the selection or administration of a contract or the procurement of goods and equipment supported by federal funds if a real or apparent conflict of interest is present. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of these parties has a financial or other interest in the firm considered for a contract or selected for an award or purchase. The officers, employees, and agents of the University may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements.

Contracting procedures per threshold amounts

Below \$1,000: The University expects that the quality and cost of available contractors will be researched, but there is no formal quotation or documentation requirement.

A W9 is required before the contractor can be paid.

From \$1,001 to \$9,999: Offers should be solicited from at least two potential contractors. The requirements of the work being solicited and the basis for selection should be documented.

From \$10,000 to \$99,999: Three or more written offers should be solicited from potential contractors. The offers should be detailed in their descriptions of the services provided, and should include other qualifying characteristics being considered such as references, time frame and other specifications.

Over \$100,000: Three or more competitive bids should be solicited from potential contractors. Elon's General Counsel will review or prepare the contract.

A contract or sub-award over the threshold amount of \$100,000 made in whole or part with federal funds must comply with the procurement standards established in the Uniform Guidance. Among the standards for this threshold of procurement are:

Competition: The Uniform Guidance states, "All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition." Employees making procurement decisions must be alert to conflicts of interest as well as to noncompetitive practices among contractors that may restrict competition. Contractors that develop or draft specifications, requirements, statements of work and/or requests for proposals should be excluded from competing for those contracts.

Awards shall be made to the contractor whose offer is responsive to the solicitation and is most advantageous to the project with price, quality and other factors considered.

Cost and Price Analysis: As part of the selection process, some form of cost analysis must be made and documented for all significant contract awards. Cost analysis is the process of reviewing the elements of cost that together represent the total price offered. Offers should be received according to various breakdowns such as staff time and effort, supplies to be used, equipment utilization and so on. The purpose of the cost analysis is to determine whether each element of cost is necessary to the performance of the work and is reasonable in its nature and amount

Source Evaluation and Selection: Requests for proposals should establish the criteria against which offers will be judged, including ones which may have to do with quality as well as price. Solicitations should include a clear and accurate description of the technical requirements, specifications and all other factors that will be used in evaluating proposals. The description should not contain features that unduly restrict competition. Documentation should be retained to show how the selection was accomplished. Contracts are to be awarded only to responsible contractors who have the potential ability to perform successfully under the terms and conditions of the procurement. Actions such as checking past performance and verifying availability of financial and technical resources offered are appropriate steps during this stage.

Debarment and Suspension: No contract shall be made to parties listed on the General Service Administration's (GSA) list of Parties Excluded from Federal Procurement or Non-Procurement Programs (<https://www.epls.gov/>). This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority.

Small, Minority-Owned, and Women's Business Enterprise Utilization: Colleges and universities expending federal funds are required to make positive efforts to use small businesses, minority-owned firms, and women's business enterprises whenever possible

Contract Administration and Sub-Recipient Monitoring: Elon is expected to maintain a system of contract administration with respect to contracts and sub-awards financed with federal funds. Contract administration involves determination that contractors have met the terms and conditions of their contracts. This would include such actions as programmatic oversight, periodic assessment of performance, and site visits. PIs/PDs have the primary responsibility for monitoring sub-recipients to ensure compliance with federal regulations.

IV. Hiring Employees with Grant Funds

A. Hiring Process

Personnel are a key element of most grants. Specific personnel and their qualifications may have been identified in the proposal narrative, or the narrative may have described the responsibilities of a grant-funded position to be filled upon receipt of the award. In some cases the personnel are current Elon employees whose duties will be expanded or cost-shared and in other cases the personnel are new hires that will be employed by Elon and specifically assigned to the grant project. Employees hired with grant funds are on "soft money," which means their employment is limited to the duration of the grant.

As hiring supervisor, the PI/PD has the responsibility to select the best-qualified candidate while adhering to all applicable laws and regulations. The same hiring process that applies to regular employees at the University is used when hiring grant-funded personnel. In general, the advertising and hiring process involves developing a job description, getting approval, advertising the position, interviewing applicants, and making a selection. See the Human Resources website at www.elon.edu/e-web/bft/hr. See “Supervisor Resources” for hiring procedures.

B. Hiring Current Elon Students on Grants

When hiring a student on a grant, a work agreement must be completed in Financial Planning. A new work agreement must be submitted for each position on campus, and when the student returns in the fall each year. Time sheets must be submitted by the student to the supervisor via on-line using On-Track by Thursday 11:59 pm, the day after the pay period ends on Wednesday. The supervisor must approve timesheets by Tuesday 8:00 am, after the pay period ends on Wednesday. Students are paid by Bi-Weekly on Thursday after the pay period ends on the prior Wednesday. See www.elon.edu/Accounting and select the Student Employees button.

V. Reporting Requirements

Along with the programmatic component of grant-funded work, the PI/PD has the administrative responsibility of reporting. The PI/PD is responsible for the timely submission of all reports in accordance with the terms of the grant. Please refer to the award letter or agreement for reporting requirements specific to the funding agency or award or contact the OSP. Generally, annual progress and financial reports will be required. In addition, at the end of the grant, a final narrative or technical and financial report will be required. All financial reporting **MUST** come from the Grant Accountant, Courtney Saul. Unless otherwise specified in the grant terms, final reports are typically due within 90 days after the grant ends.

A. Financial Reports

Accounting will provide a complete financial report when required by the sponsoring agency. PIs/PDs **MUST** obtain an official financial report from Courtney Saul. Do not report using your own records. A financial report completed by the PI/PD is not an official institutional report of expenditures. Please work with the OSP and Accounting to determine sponsor procedure for submitting these reports. Financial Reports should be requested from the Grant Accountant at least two weeks prior to the report deadline.

B. Other Reports

The OSP Grants Coordinator will send 90, 60, 30-day, and 2-week reminders for interim, annual, and final reports. The OSP will provide clarification on reporting requirements if needed. Copies of all narrative reports and correspondence related to the grant should be forwarded to the OSP to meet audit requirements.

VI. Changes to Project and/or Budget

Some changes require prior sponsor approval and others do not; please check with the OSP to clarify. Please note that changes *may* require that the OSP provide the sponsor with written notification and/or obtain written approval from the sponsor for the changes. If you wish to make any changes to the project and/or budget, please contact the OSP **before making any changes**. The OSP will determine whether your requested changes can be approved internally or if the sponsor's approval is required. The following provides some answers to common questions with regard to project changes:

A. Changes to the Budget

In some cases, a grant budget may be modified from its proposed form to meet unanticipated needs and to make other types of post-award changes. This may be approved by the OSP if the requested change is allocable and reasonable and within the funding agency specifications; for example, some agencies allow a defined percentage variable, such as a 10% fluctuation between approved categories before sponsor approval is required. For sponsors that do not allow the re-budgeting of funds without prior approval, the OSP will formally submit a request to the sponsor on behalf of the PI/PD. Once the budget changes have been approved, the PI/PD must complete the Grant Budget Revision Form and submit it to the Grants Coordinator. The Grants Coordinator will then forward the form to the Grant Accountant for review and processing.

B. Other Project Changes

Generally, prior approval by the sponsoring agency is required for the following situations: if the PI/PD wants to change the project scope or objectives; if key personnel will be changed; if the PI's/PD's effort will be reduced by 25% or more; if additional funds are required; if the grant will be transferred to a different institution; and if an equipment transfer is involved. "Prior" indicates that written sponsor approval must be obtained before undertaking any action. Some sponsors allow for a great deal of flexibility in the management of the grant to the University. This is called "expanded authorities." Grants that include expanded authorities permit the University (OSP) to approve changes to the budget and certain administrative processes without seeking prior approval from the sponsor. Three examples of changes that may occur without prior approval include a one-time "no-cost extension," carrying forward unobligated balances into subsequent funding periods, and moving funds from one budget line item to another. Please contact the OSP if you foresee the need to make any changes to the original project or for further clarification before contacting sponsor.

C. No-Cost Extensions

Most sponsoring agencies will allow an extension of the grant expiration date if more time is required to assure adequate completion of the original project scope. Although the requirements to apply for a "no-cost extension" (NCE) vary by sponsor, many federal agencies allow the OSP to authorize a one-time 12-month NCE for specific reasons, which must be provided in writing. Please be prepared to provide a written technical justification for an extension. Please note that the fact that funds will remain at the expiration of the grant is not, in itself, sufficient justification for an extension. In all cases, such extensions must be requested well in advance of the expiration date. Please contact the OSP as soon as it is known that a grant extension will be necessary.

VII. Award Closeout

The PI/PD is responsible for preparing and submitting the final technical report to the sponsor according to the schedule outlined in the award. If additional time is needed, the PI/PD should contact the OSP a minimum of 90 days in advance of the project expiration date to discuss requesting an extension of the project. Extension

requests must be made for programmatic reasons, not financial reasons. The Accounting office will prepare and submit all financial reports and property reports, as needed.

VIII. Campus Contacts

Name	Contact regarding:	Office	Ext.	Email
Courtney Saul	Financial reporting	Accounting Office	x5263	csaul@elon.edu
Bonnie Bruno	General questions (pre and post-award, compliance)	Sponsored Programs Office	x6603	bbruno2@elon.edu
Jenny Chapman	Grant account & budget information (post-award)	Sponsored Programs Office	x6614	jchapman7@elon.edu
Stephanie Page	Hiring grant-funded employees	Human Resources	x5560	spage@elon.edu
Jeff Hendricks	Purchasing Procedures	Purchasing	x5580	jhendricks4@elon.edu
Renie Thompson	Hiring grant-funded students	Accounting	x5284	rthompson8@elon.edu
Tim Peeples	Pre-award Expenditures, Matching, etc.	Provost Office	x5613	peeples@elon.edu

