

MSC Policies and Procedures for compliance with EDGAR as modified by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

All contents of the following Uniform Administrative Requirements are an extension of and support the Murray State College Policy and Procedures Manual.

http://www.msco.edu/about_msc/policy_procedures.aspx

This document serves as a resource and a guide for grant funded activities at Murray State College. Depending on the funding source (USDA, NSF, NIH, or Department of Education) additional documents, such as EDGAR, may serve as your guiding principal. There are also situations where the date that your funding started may dictate which policy, procedure, or legislation is most appropriate for your grant. Please coordinate the identification of the correct regulatory documents for your grant with the MSC Grant Coordinator.

SUMMARY OF LEGISLATION RELATED TO GRANT ADMINISTRATION

Uniform Grants Guidance

This final guidance supersedes, streamlines, and consolidates OMB Circulars A-21, A-87, A-89, A-102, A-110, and A-122, and A-133 as well as and the guidance in Circular A-50 (Single Audit Act follow-up). Here is a link the OMB Circulars available for Educational and Non-profit organizations:

https://www.whitehouse.gov/omb/circulars_index-education/

To deliver on the promise of a 21st-Century government that is more efficient, effective and transparent, the Office of Management and Budget (OMB) is streamlining the Federal government's guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards. These modifications are a key component of a larger Federal effort to more effectively focus Federal resources on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders. This guidance provides a governmentwide framework for grants management which will be complemented by additional efforts to strengthen program outcomes through innovative and effective use of grant-making models, performance metrics, and evaluation. This reform of OMB guidance will reduce administrative burden for non-Federal entities receiving Federal awards while reducing the risk of waste, fraud and abuse. (<https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>).

COUNCIL ON FINANCIAL ASSISTANCE REFORM

2 C.F.R §200: Uniform Guidance

OMB together with Federal awarding agencies is issuing a joint interim final rule to implement the new guidance at 2 C.F.R. §200 titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The rule will be available for public inspection December 18th, published in the Federal register December 19th (at www.Federalregister.gov) and effective for new awards or some funding increments on or after December 26, 2014. (<https://cfo.gov/cofar/>)

EDUCATION DEPARTMENT GENERAL ADMINISTRATIVE REGULATIONS (EDGAR)

“Title 34, Code of Federal Regulations (CFR), Parts 75-79, 81 to 86 and 97-99 EDGAR is currently in transition. For awards made prior to 12/26/2014, EDGAR Parts 74 and 80 still apply. For awards made on or after 12/26/2014, 2 CFR Part 200, which includes the substance formerly in parts 74 and 80, applies.” Technical assistance for navigating the requirements between 2 CFR Part 200 and EDGAR can be found at this link <http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

2 C.F.R §3474.1 Adoption of 2 CFR part 200 by the Department of Education

The Department of Education adopts the Office of Management and Budget (OMB) Guidance in 2 CFR §200, except for 2 CFR §200.102(a) and 2 CFR §200.207(a). Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.

2 CFR §3474.5 How exceptions are made to 2 CFR §200.102.

With the exception of Subpart F—Audit Requirements of 2 CFR §200, the Secretary of Education, after consultation with OMB, may allow exceptions for classes of Federal awards or non-Federal entities subject to the requirements of this part when exceptions are not prohibited by statute. However, in the interest of maximum uniformity, exceptions from the requirements of this part will be permitted only in unusual circumstances.

Exceptions for classes of Federal awards or non-Federal entities will be published on the OMB Web site at www.whitehouse.gov/omb.

2 CFR §3474.10 Clarification regarding 2 CFR 200.207.2

The Secretary or a pass-through entity may, in appropriate circumstances, designate the specific conditions established under 2 CFR §200.207 as “high-risk conditions” and designate a non-Federal entity subject to specific conditions established under §200.207 as “high-risk”.

GOVERNMENT PUBLISHING OFFICE

Code of Federal Regulations

The Code of Federal Regulations (CFR) annual edition is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. The 50 subject matter titles contain one or more individual volumes, which are updated once each calendar year, on a staggered basis. The annual update cycle is as follows: titles 1-16 are revised as of January 1; titles 17-27 are revised as of April 1; titles 28-41 are revised as of July 1; and titles 42-50 are revised as of October 1. Each title is divided into chapters, which usually bear the name of the issuing agency. Each chapter is further subdivided into parts that cover specific regulatory areas. Large parts may be subdivided into subparts. All parts are organized in sections, and most citations to the CFR refer to material at the section level.

<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>

Human Subject Protection (IRB)

All research involving human subjects, which is supported or otherwise subject to regulation by any federal department or agency which takes appropriate administrative action to make the policy

applicable to such research is governed by a Common Rule, “Protection of Human Subjects” 45 CFR §690 (<http://www.gpo.gov/fdsys/pkg/CFR-2011-title45-vol3/pdf/CFR-2011-title45-vol3-part690.pdf>).

Murray State College does not currently participate in research on human subjects, but any future grant proposal that includes research on human subject will need to include training for staff and faculty. Human Research Protection Training (NIH; <https://phrp.nihtraining.com/users/login.php>).

U.S. Code (U.S.C.)|

The United States Code is the codification by subject matter of the general and permanent laws of the United States. It is divided by broad subjects into 53 titles and published by the Office of the Law Revision Counsel of the U.S. House of Representatives. The U.S. Code was first published in 1926. The next main edition was published in 1934, and subsequent main editions have been published every six years since 1934. In between editions, annual cumulative supplements are published in order to present the most current information.

(<http://www.gpo.gov/fdsys/browse/collectionUSCode.action?collectionCode=USCODE>)

FEDERAL ACQUISITION REGULATIONS

Department of Education, EDAR §3401—ED Acquisition Regulation System

The Federal Acquisition Regulations System is established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies. The Federal Acquisition Regulations system consists of the Federal Acquisition Regulation (FAR), which is the primary document, and agency acquisition regulations that implement or supplement the FAR.

(<http://farsite.hill.af.mil/>)

ETHICAL CONDUCT & CONFLICT OF INTEREST

Standards in Conduct & Conflict of Interest

Safeguards associated with obtaining and executing the goals of a federal grant are directed by 34 CFR §73.1, 34 CFR §73.1, 34 CFR §75.524 and 34 CFR §75.525 as well as Murray State College Policy and Procedure Manual.

Murray State College Policy and Procedure manual, Conflict of Interest Policy Statement (Page 22) is designed to prevent employees, consultants, members of governing bodies, and others who may be involved in grant-supported activities from using “his or her position for a purpose that is—or gives the appearance of being—motivated by a desire for a private financial gain for that person or for others.”

Misconduct is Defined under Specific Granting Agencies or Funding Opportunities

For the purpose of preventing misconduct as it is defined under a wide variety of funding agencies, individual grants obtained by Murray State College will have a statement defining misconduct as it applies to the funding opportunity. This includes, but is not limited to, Misconduct in Science and Ethical Conduct in Research.

STANDARD CERTIFICATION DIRECTIVES

Debarment & Suspension

Suspension and Debarment actions prevent companies and individuals from participating in government contracts, subcontracts, loans, grants and other assistance programs. The effect of Suspension and Debarment actions by a Federal agency is government-wide and protects the government from doing business with individuals/companies/recipients who pose a business risk to the government. (2 CFR §180 and 2 CFR §1532). Refer to the Excluded Parties List for a list of those who are debarred or suspended. <https://www.epls.gov>

Bayh-Dole Act

The Bayh-Dole Act (PL 96-517, Patent and Trademark Act Amendments of 1980) created a uniform patent policy whereby colleges and universities retain ownership to inventions made under federally funded research. “It is the policy and objective of the Congress to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of small business firms in federally supported research and development efforts; to promote collaboration between commercial concerns and nonprofit organizations, including universities; to ensure that inventions made by nonprofit organizations and small business firms are used in a manner to promote free competition and enterprise; to promote the commercialization and public availability of inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the costs of administering policies in this area.”

PROTECTION OF LIVING THINGS

Animal Welfare (IACUC)

Any person participating in research involving animals will comply with the requirements of the Animal Welfare Act (7 U.S.C. 2131) and the regulations put forth under Title 9, Animals and Animal Products (9 CFR §1.1-4.11). These regulations address the humane care, handling, and treatment of animals held or used for research, teaching, or other activities supported by Federal awards (<http://www.gpo.gov/fdsys/pkg/CFR-2000-title9-vol1/content-detail.html>). Additional resources may be found for the USDA and PHS at <https://www.aphis.usda.gov/wps/portal/banner/help>.

Endangered Species Act of 1973

The 1973 Endangered Species Act (16 U.S.C. 1531-1544) provided for the conservation of ecosystems upon which threatened and endangered species of fish, wildlife, and plants depend. (<http://www.fws.gov/laws/lawsdigest/esact.html>)

DATA AND CONFIDENTIALITY

Protected Personally Identifiable Information

According to 2 CFR §200.82, protected Personally Identifiable Information (Protected PII) means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include PII that is required by law to be disclosed. [See also §200.79 Personally Identifiable Information (PII)].

Confidentiality of Patient Records/HIPAA Patient Privacy Rule

The Health Insurance Portability and Accountability Act (HIPAA; <http://www.gpo.gov/fdsys/pkg/FR-2013-01-25/pdf/2013-01073.pdf>) strengthens the privacy and security protection for individuals' health information, sets national standards for the security of electronic protected health information, and the confidentiality provisions of the Patient Safety Rule, which protects identifiable information (<http://www.hhs.gov/ocr/privacy/>)

ANTI-DISCRIMINATION**Civil Rights Act of 1964**

The Civil Rights Act of 1964 (42 U.S.C §2000d) provides that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance”.

Rehabilitation Act of 1973/Americans Disabilities Act

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C §794) provides that “no otherwise qualified individual with a disability in the United States...shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.”

Sex Discrimination Act

Title IX of the Education Amendments of 1972 (20 U.S.C §1681-1686), states that “No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance, except” within the frame work provided by section (1)-(9) of 20 U.S.C §1681 (a).

Age Discrimination Act, 1975

The Age Discrimination Act of 1975 as amended by 42 U.S.C §6101 provides that “no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.”

Equal Employment Opportunity (EEO)

The Equal Employment Opportunity Act of 1972 (Public Law 92-261) provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, disability or genetics.

Drug-Free Schools and Campuses Act of 1989

Part 86 of the Drug and Alcohol Abuse Prevention Regulations (Education Department General Administrative Regulations [EDGAR]), requires as a condition of receiving funds or any other form of financial assistance under any federal program, an institution of higher education (IHE) must certify that it has adopted and implemented a program to prevent the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees. Policies related to this requirement are covered by the MSC Drug-free Campus/Workplace (Drug and Alcohol Abuse Prevention Policy detailed in our Policies and Procedures Manual.

Drug Free Workplace**34 CFR §84.100 - 34 CFR §84.670**

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq., as amended) requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. Policies related to this requirement are covered by the MSC Drug-free Campus/Workplace (Drug and Alcohol Abuse Prevention Policy detailed in our Policies and Procedures Manual.

STANDARD ADMINISTRATIVE REQUIREMENTS**Buy American Act**

Grantees and sub-recipients must comply with the requirements of the “Buy American Act” (41 U.S.C. 10a-c) which requires the purchase of American-made equipment and products in expending grant funds that exceed the micro-purchase threshold (\$3,000).

Fly American Act

The Fly America Act applies to all travel covered by Federal funds. Grant supported travel requires the use of “U.S. flag” airlines. Exceptions may be found in 49 U.S.C. Subtitle VII, Part A, subpart I, Chapter 401, 40118.

Acknowledgement of Federal Grant Support

All grantees must acknowledge Federal funding sources in accordance with the requirements of their funding agency. This may include, but is not limited to, issuing of statements, press releases, requests for proposals, bid invitations, and other documents describing projects. This includes programs funded in whole or in part with Federal money. Grantees are required to state (1) the percentage and dollar amounts of the total program or project costs financed with Federal money and (2) the percentage and dollar amount of the total costs financed by nongovernmental sources.

Federal Funding Accountability & Transparency Act, 2006

The Federal Funding Accountability and Transparency Act of 2006, as amended by 2 CFR part 170, requires full disclosure of all entities and organizations receiving Federal funds including grants, contracts, loans and other assistance and payments through a single publicly accessible Web site, USASpending.gov. The Web site includes information on each Federal financial assistance award and contract over \$25,000.

No Text Messaging While Driving

Executive Order 13513 (E.O. 13513) requires each Federal agency to encourage contractors, subcontractors, and grant and cooperative agreement recipients and sub-recipients to adopt and enforce policies that ban text messaging while driving company-owned or -rented vehicles or Government Owned Vehicles, or while driving Personally Owned Vehicles when on official Government business or when performing any work for or on behalf of the Government.

In addition, this requirement is also a state law as enacted by “Trooper Nicholas Dees and Keith Burch Act of 2015” or Oklahoma HB 1965, effective November 1, 2015.

Freedom of Information Act

This Act guarantees access by the general public to data held by its government. It establishes a “right-to-know” legal process by which requests may be made for government-held information, to be received freely or at minimal cost, barring standard exceptions. <http://www.foia.gov/index.html>

ENVIRONMENTAL PROTECTION**Clean Air Act**

42 U.S.C. §7401 applies to all agreements in amounts in excess of \$100,000 and requires, at proposal submission, that the applicant must certify whether any facilities to be used in the proposed work are listed by the EPA (Environmental Protection Agency) on the list of violating facilities. The certification also requires the awardee to comply with all requirements of Section 14 of the Clean Air Act relating to inspection, monitoring, entry, reports, and facilities. Federal awards are withheld from any applicant on the EPA violation facility list. <http://www2.epa.gov/laws-regulations/summary-clean-air-act>

Clean Water Act

This Act applies to all agreements in excess of \$100,000 and requires, at proposal submission, that the applicant must certify whether any facilities to be used in the proposed work are listed by the EPA (Environmental Protection Agency) on the list of violating facilities. The certification requires the awardee to comply with all requirements of the Clean Water Act relating to: inspection, monitoring, entry, reports, and facilities. Federal awards are withheld from any applicant on the EPA violation facility list. <http://www2.epa.gov/laws-regulations/summary-clean-water-act>

National Environmental Policy Act (NEPA) of 1969

This Act requires Federal agencies to consider the reasonably foreseeable environmental consequences of all grant-supported activities. As part of the implementation of this Act, grantees are required to promptly notify the sponsor Federal agency of any reasonably foreseeable impacts on the environment from grant-supported activities, or certify that no such impacts will arise upon receipt of a grant award. <http://www2.epa.gov/laws-regulations/summary-national-environmental-policy-act>

SAFETY, SECURITY & BIOSAFETY**Public Health Security & Bio-terrorism Preparedness, 2002**

“The events of Sept. 11, 2001, reinforced the need to enhance the security of the United States. Congress responded by passing the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act).” This law is designed to: improve national preparedness for bioterrorism and other public health emergencies, enhance controls on dangerous biological agents and toxins, protect safety and security of food and drug supply, as well as drinking water security and safety. It applies to all Federal awards and requires all persons possessing biological agents/toxins deemed a threat to animal or plant health and/or animal or plant products to notify the USDA (US Department of Agriculture), APHIS (Animal Plant Health Inspection Service).

<http://www.fda.gov/RegulatoryInformation/Legislation/ucm148797.htm>

Select Agents and Toxins Listing may be found at www.selectagents.gov.

Controlled Substances

If controlled substances are proposed to be administered as part of a research protocol or if research is to be conducted on the drugs themselves, applicants/grantees must ensure that the DEA

requirements, including registration, inspection, and certification, as applicable, are met. Regional DEA offices can supply forms and information concerning the type of registration required for a particular substance for research use.

INTELLECTUAL PROPERTY POLICY

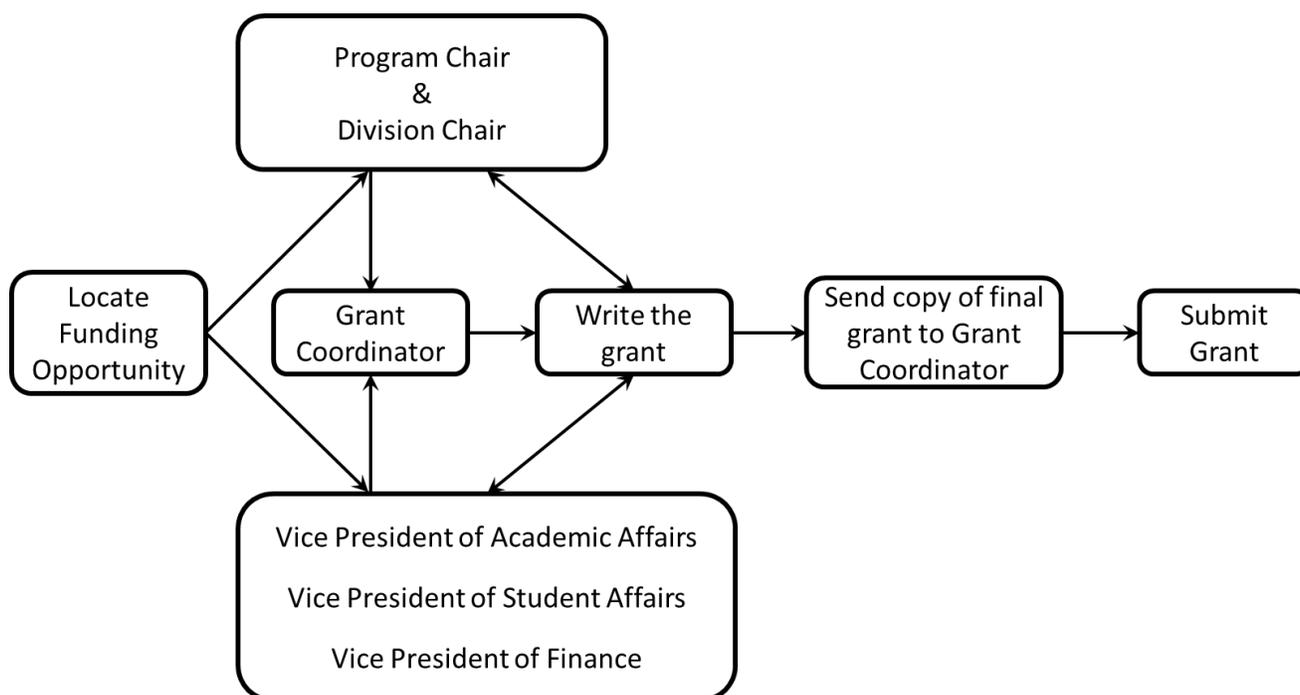
Murray State College supports and encourages collaborative working relationships among staff, faculty, students, and administrators for the purpose of encouraging the production of materials that will be used to achieve the goals and objectives of grant funded work. The purpose of this policy is to foster a supportive environment for faculty, staff, and students to produce original work that may be subject to patent, copyright or trademark. This policy requires the fair distribution of any benefits arising from activities supported by grants awarded to Murray State College as well as shared recognition for Murray State College and the author/inventor.

Murray State College Policies and Procedures for Grant Administration

The following documentation provides guidance to Murray State College staff, faculty and administrators regarding executing the goals and objectives of a grant awarded from a federal agency or through a state agency as a part of pass-through funding, but additional regulation such as EDGAR may be necessary as well.

PROCEDURE FOR EXTERNAL GRANT FUNDING

Faculty and staff wishing to submit a grant proposal to an external funding agency must route their grant idea through a vetting process that allows various campus stakeholders to examine the short-term and long-term impact of the grant.



There are two forms that will help you navigate the process. The [Grant Submission Check List](#) and the [MSC Funding Opportunity Inquiry](#) will help make sure various staff and administrators have approved seeking funds from your chosen funding opportunity.

https://www.msoc.edu/administration/finance_administration/msc_grants.aspx

Indirect Cost

Not all funding opportunities allow for the inclusion of Indirect Cost. Indirect Costs are “costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective” within the grant [OMB Circular A-122 (2 CFR §230)]. These costs may include support from department, administrative staff, utilities, space, and other resources that are required as a part of the grant activities. <https://www.dol.gov/oasam/programs/boc/costdeterminationguide/cdg.pdf>

Cost Principles for Educational Institutions

Costing principles provides guidance for determining the costs applicable to research and development, training, and other sponsored work performed by colleges and universities under grants, contracts, and

other agreements with the Federal Government, also known as sponsored agreements.

<http://www.gpo.gov/fdsys/pkg/CFR-2012-title2-vol1/pdf/CFR-2012-title2-vol1-part220.pdf>

According to 2 CFR §200.400, the application of the cost principles is based on the fundamental premises that:

1. The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
2. The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
3. The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.
4. The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
5. In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered. See 2 CFR §200.56 Indirect (facilities & administrative (F&A)) costs.
6. For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application.
7. The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award. See also 2 CFR §200.307 Program income.

General Provisions for Selected Items of Cost (2 CFR §200.420 through 2 CFR §200.475) can be found by following this link: http://www.ecfr.gov/cgi-bin/text-idx?SID=39cf961e3b4bfff63d99782a81e2deace&mc=true&node=sg2.1.200_1419.sg16&rgn=div7

Determination of Allowability (2 CFR §200.403)

In the process of preparing a grant goals, objectives and budget; the expenditures must meet the criteria for MSC Policies and Procedures, State law, and Federal regulations. In order to include the cost of personnel, services, equipment, or supplies; must be reasonable and necessary as well as conform to the following:

For each application to a funding agency, the grant writer must determine if there are specific requirements or restrictions placed upon costs associated with the grant. Inclusion of non-allowable costs in the grant application will likely result in rejection of the grant application. In the event the grant is

funded, the grant writer is required to contact the funding agency immediately upon identification of non-allowable costs.

1. Costs associated with the grant application as well as the intent of the grant goals and objectives must be consistent with Murray State College policies and procedures as well as support the mission of the college.
2. Cost that have already been accounted for as a part of indirect costs cannot also be included as a direct cost.
3. In the process of determining the budget, the grant writer will follow the generally accepted accounting principles (GAAP). See also **Documentation and Record Keeping** in this document.
4. A cost may not be included in a grant if that cost is already included as a cost, as a part of cost sharing, or as a part of matching funds within any other federally-financed program during the current or a prior period.
5. In the process of determining allowable costs, the grant writer shall adequately document all costs. This may include cost estimates from more than one vendor or service provider. It is advisable to review 2 CFR §200.300 and 2 CFR 200.309 as well.
6. Additional information on grant cost determination can be found in 2 CFR §200.420 through 2 CFR §200.475.
7. Examples of determining appropriate cost.
 - a. Do you need a PC laptop or Mac Book? Due to the higher cost of the Mac Book, you would need a reason to purchase Mac Books over a PC laptop.
8. Examples cost restrictions and unallowable costs (Both of these may be grant specific)

Allowable with restrictions	Unallowable costs
Advertising (recruitment of grant personnel, purchase of goods, and sale of surplus)	Alcoholic beverages
Computers (for grant specific activities)	Alumni activities
Honoraria (only if linked to grant goals)	Costs of Ceremonies or receptions
Meals and Refreshments (Allowable for grant specific goals, but must be deemed necessary due to food not being accessible otherwise; travel related food costs are allowable with limitation. Can be specific to funding agency)	Donations for fundraising, gifts, or memorials
Memberships and Dues (with prior approval)	Entertainment
Office Supplies (for grant specific activities)	Furniture
Participant Support Costs (with prior approval)	Lobbying

Allocable Costs (2 CFR §200.405)

A cost is allocable (capable of being allocated) to a particular goal or objective for a Federal award as long as the goods or services are necessary to achieve the performance measures. The following are considered for satisfying the requirement of “necessary”:

1. If the cost is incurred specifically for the Federal award.
2. If the cost benefits the Federal award and its objectives.
3. If other work of the non-Federal entity also benefits, then the costs can be distributed in proportions that may be approximated using reasonable methods (See **Matching Funds or Cost Sharing** in this document)
4. All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.
5. If a direct cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. See also 2 CFR §200.306 Cost sharing or matching as well as 2 CFR §200.310 Insurance coverage through 200.316 Property trust relationship. It is also wise to consider 2 CFR §200.439 Equipment and other capital expenditures.
6. Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
7. If a contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part.
https://www.whitehouse.gov/omb/procurement_casb/

Matching Funds or Cost Sharing

Some funding opportunities require matching funds or in-kind commitments. Including matching funds or in-kind commitments requires approval from the Vice President of Finance and Administration as a part of writing the grant proposal and grant budget approval. Also see 2 CFR §200.306, Cost sharing or matching, for more information.

POST-AWARD PROCESS

Upon notification that a grant has been awarded, the individual that submitted the grant proposal will notify their immediate supervisor in the MSC Organizational Chart, the MSC Grant Coordinator, and the President of Murray State College. Accepting the awarded grant requires signature from the President of Murray State College as the President is the only person legally allowed to enter into agreements with external organizations.

In addition, the grant director will make sure that the Grant Coordinator has a copy of the final submitted grant, the final budget, and any supporting documents necessary for carrying out the goals and objectives of the grant.

Subcontracts or Service Agreements

All subcontracts or service agreements associated with a MSC grant must be approved by the Vice

President of Finance and Administration. Any invoices associated with the subcontract will need to be signed and approved by the Grant Director.

Grant Oversight and Compliance

The Vice President of Finance and Administration is responsible for the fiscal administration of the Murray State College budget. The Vice President of Finance and Administration reserves the right to delegate the authority for accounting, financial reporting, and budgeting to the MSC Grant Coordinator or individual Grant directors.

Institutional Review Board (MSC currently does not have funding requiring this Board)

Institutional Animal Care and Use Committee (IACUC)

The Institutional Animal Care and Use Committee is responsible for reviewing and approving research and teaching protocols using non-human animals and to inspect facilities used to maintain them to ensure ethical treatment of animals by faculty and students.

<http://www.msco.edu/sites/www/Uploads/images/Academics/Veterinary/Institutional%20Animal%20Care%20and%20Use%20Committee%20Policy%20for%20Web%20Roster%202015-2016.pdf>

Conflict of Interest

The MSC Grants Coordinator shall meet with the grant writer/grant director to certify that all information in the grant application is accurate. The grant writer/grant director will be responsible for the executing the goals and objectives of the grant, provide reports as required for internal or external evaluation, and ensure that there is no knowledge of financial conflict of interest. Signature is required as a part of the MSC Grant Submission Check List.

https://www.msco.edu/administration/finance_administration/msc_grants.aspx

Mandatory disclosures (2 CFR §200.113)

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

Steps for Establishing a New Grant

1. Assemble a grant management handbook – Start with this outline as a framework and add additional regulations that are applicable to your grant and your funding source. These may include EDGAR and OMB circulars. For example, Title III grants are under the purview of EDGAR as well as the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

- a. It is highly recommended that you start a three ring binder that includes your grant, your grant management handbook including this document plus any relevant federal documents (EDGAR), and any correspondence with your program director.
 - b. This binder should also include personnel paperwork including contracts, consultant contracts, client records, publicity, external evaluations, minutes of committee meetings and any other relevant document.
 - c. It would be a good idea to include your budget expenditures in this three ring binder, however, depending on the amount of paperwork associated with your budget, you may need to keep one or more separate binders for budget items. This includes bids, invoices and purchase orders.
 - d. Annual reports should be kept in the same or separate binder. Paper copies or digital copies of the annual report should be forwarded to the MSC Grant Coordinator.
2. Contact information for State and Federal Program Officers.
 - a. Keep the MSC Grant Coordinator informed of budget transfers or grant objective amendments.
 - b. The business office will also need to be made aware of changes to the grant budget.
 - c. Grant objective amendments and grant extensions should be avoided. However, if necessary and available, these will need to be approved through the proper channels established by the specific funding agency as well as communicated to the MSC Grant Coordinator.
 3. Become familiar with grant regulations, state regulations, and school policy. Remember that you are bound by the most restrictive of those three guiding principles.
 4. Work with the business office to establish an account and budget.
 - a. Budget Review
 - The business office will send out monthly reports regarding expenditures.
 - These monies need to be double checked to make sure all monies were spent out of the correct budget and budget category as well as ensure that expenditures are not missing.
 - Monthly review of your budget will make sure that data submitted with your end of the year report will be accurate.
 5. Budget Transfers and Revisions

Budget transfers are generally discouraged. However, if it becomes necessary to transfer monies between budget categories, many funding agencies have policies and procedures for making and approving the transfer request. In the event that a grant has a program director from the funding agency, the request to move monies must be requested and approved by the program director at the funding agency. In the event that there is no program director to grant approval for the transfer, the request to move monies will be submitted to the MSC Vice President of Finance and Administration. The MSC Grant Coordinator should be provided copies of all requests for transfer of funds as well as the approval or rejection by the grant program director or Vice President of Finance and Administration. Also see 2 CFR §200.308, Revision of budget and program plans, for more information.

6. Establish Internal Controls (2 CFR §200.303) by incorporating the following into the process of executing the goals and objective of each grant:
 - a. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
 - b. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
 - c. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
 - d. Take reasonable measures to safeguard protected personally identifiable information and other information regarding privacy and obligations of confidentiality.
7. Each grant, with consideration for what steps are necessary to comply with the above requirements based on the grant award, will adopt one or more of the following internal control mechanisms:
 - a. Internal audits
 - b. Third party audits
 - c. Annual audits (May be used as the only internal control under circumstance where the goals, objective, and performance reporting for the grant do not merit Internal Audits or Third party audits).
8. Hire qualified staff as quickly as possible to help achieve goals and objectives in a timely fashion.
 - a. Grant staff will be hired, evaluated, and terminated according to same policies used for all MSC staff and faculty.
 - b. Time and Effort Reporting
Individual grant directors are responsible for documenting Time and Effort reports for their personnel (2 CFR §220). These reports should document the specific goals, objectives and/or responsibilities carried out by grant personnel during the month being reported as well as the percentage of time committed to carrying out these activities. Additional information may be required depending on the funding source. An example of a Time and Effort Report may be obtained from the MSC Grant Coordinator.
 - c. Sick leave and personal leave will follow the requirements outlined in the MSC Policies and Procedures, page 35.
<http://www.msco.edu/sites/www/Uploads/files/About%20MSC/PoliciesProcedure/MSC%20Policies%20Procedures%20Jan%202014.pdf>
9. Spend grant funds according to the goals, objectives, and budget submitted with the grant application.
10. Although some grants may require a different approach to expending grant funds, it is highly recommended that monies be spent early in the budget year. The last quarter of your budget year should focus on finalizing goals and objectives as well as collecting data.

PROCUREMENT PROCEDURES AND BUDGET EXPENDITURES

It is important in the course of executing the goals and objectives for a grant that the grant director or program director be cognizant of disallowed costs. According to 2 CFR §200.31 disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.

Purchasing Guidelines

Purchasing procedures for sponsored programs (externally funded) must follow the policies and procedures established in the Murray State College Policies and Procedures (page 94).

1. Purchases order will be made prior to purchase.
 - a. If purchasing from a new company, you will need to get the company added to the MSC Vendor System. This will require a W-9, or equivalent information, be submitted to the Business Office.
2. Make sure the costs are allowable according to funding agency requirements or agreements, MSC policy, State law, and Federal law (2 CFR §200.403)
3. Costs must also reasonable and necessary for executing the goals, objectives, and administration of your grant.
4. Cost need to be incurred within the budget period and purchase orders need to be closed within 30 days of the end of the budget year.
5. Purchases over \$3000 will need to be processed through a competitive bid.
6. Purchases over \$25,000 will require competitive bids as well as MSC Board of Regents Approval.
7. In all cases the purchase of American made equipment should be given preference (41 U.S.C. 10a-c).
8. Shared costs between grants, if they are present, will be documented, charged accordingly, and the equipment or services utilized according to the shared costs (2 CFR §200.306)
9. All documentation for purchases will be retained in a three ring binder, or similar organizer, for 5 years beyond the submission of the final expenditure report or the final Annual Performance Report.

Debarment and Suspension Policy

According to 2 CFR §200.213, non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR §180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

In order to check potential parties for debarment or suspension, log into the System for Award Management (<https://www.sam.gov/>).

Methods of procurement

According to 2 CFR §200.320, the non-Federal entity must use one of the following methods of procurement.

State Contract Purchases

Departments are encouraged to use “state contract” established by the State Central Purchasing Division whenever departmental needs can be served adequately and economically. Other college and university contracts may be used as a “state contract” as well as other purchasing consortia such as E & I Cooperative, federal contracts, etc. When using an existing contract, the contract name and number must be included on the Purchase Requisition.

Micro-purchase Policy (2 CFR §200.67)

Procurement by micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold of \$3,000. To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations, if the non-Federal entity considers the price to be reasonable.

Small Bid Policy

Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold of \$150,000 (41 U.S.C. 134). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Large Bid Process

Procurement by bids is used in cases where you are looking for a specific set of supplies, a specific item, and lowest price. However, delivery of the product and quality are also very important considerations. Bids are solicited from vendors based on the information, material terms, and conditions outlined in the invitation for bids. The vendor provides a firm fixed price (lump sum or unit price). A sealed bid method is the preferred method for procuring construction.

Invitation for bids should follow steps and conditions below:

1. A complete, adequate, and realistic specification or purchase description is established
2. An invitation to participate in the sealed bid is advertised.
3. Two or more responsible bidders (companies) prepare and submit their bids
4. Bid selection lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section (2 CFR §200.319).

Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;

4. Noncompetitive contracts to consultants that are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.
8. The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
9. The non-Federal entity must have written procedures for procurement transactions.

Contracts with small and minority businesses, women's business enterprises, and labor surplus firms

Grant directors and program directors must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible (2 CFR §200.321).

Affirmative steps must include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section

Sole Source Policy

Purchases made from a sole source require a Sole Source Affidavit (Commons). Sole source affidavits shall be required when the item or service is limited to one provider (sole source) or when the item is limited to one brand (sole product) which may be available from more than one source. Competitive bids will be solicited from all known sources on sole product purchases. When purchases are made from a sole source, policy should require the requesting department to sign a sole source statement and provide in writing the reasons justifying the purchase from a sole source (OSRHE, Policy and Procedures Manual - Chapter 4 - Budget and Fiscal Affairs). Board approval is required for sole source purchases over the amounts specified in the Procedures for Soliciting Bids. Sole source purchases over the amount established by the state Director of Finance are to be reported on a monthly basis to the Oklahoma State Regents for Higher Education.

Service Agreements

Professional services must be approved by the Vice President of Finance and Administration. Costs associated with the service agreements is determined according to 2 CFR §200.459, such that:

1. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-Federal entity, are allowable, subject to paragraphs (b) and (c). In addition, legal and related services are limited under 2 CFR §200.435.
2. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:
 - a. The nature and scope of the service rendered in relation to the service required.
 - b. The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.
 - c. The past pattern of such costs, particularly in the years prior to Federal awards.
 - d. The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).
 - e. Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.
 - f. Whether the service can be performed more economically by direct employment rather than contracting.
 - g. The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
 - h. Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).
3. In addition to the factors in paragraph (b) of this section, to be allowable, retainer fees must be supported by evidence of bona fide services available or rendered.

Procurement Card Policy

The policy for handling purchases using a Procard may be found in the Murray State College Policies and Procedures, Chapter VI, Page 91.

The Procurement Card Program has been established in order to expedite the purchasing process. It is intended as an option for small dollar purchasing or purchases less than \$5,000. Larger purchases may be made by those authorized to do so and will require special arrangements by the Business Office.

Each card has a single/daily transaction limit and a monthly limit. You will be informed of your limits upon receipt of your card. Purchases should comply with these limits as well as the amount of your budget (total amount you have available to spend). It is your responsibility to make sure you do not exceed the limits established. Purchases made with the Procurement Card must follow the other requirements and policies regarding purchases.

The products or services below fall into categories of special risk, importance, oversight, or sensitivity.

Generally, departments may not use the ProCard for these items:

- Computer Systems (peripherals are allowed)
- MSC Bookstore Purchases
- Travel expense

Exceptions

- Lodging reservation and/or first night deposit on room is acceptable if required.
 - Conference registration required in-advance for discount purposes is acceptable.
- Rentals
 - Any purchase which supplier insists on written contract or agreement
 - Advertising
 - Labor/Services/Consulting, etc.
 - Cash Advances
 - Personal Items
 - Meals, Food, and Beverages
 - Postage

Equipment and Inventory

According to 2 CFR §200.33, equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level.

1. Equipment reporting thresholds are \$2,500.00 for non-IT items and \$500.00 for all IT items unless your agency, by permission, has a different set amount. The new tangible asset threshold does not apply to telecommunications and electronic information technology applications specified in Title 62, §34.12. Subsection 6. https://www.ok.gov/DCS/Statewide_Inventory_of_Assets.html
2. Although higher equipment reporting numbers are established by 2 CFR §200, we are bound by the most restrictive requirement between Murray State College, the State of Oklahoma, and the federal regulations. Therefore the limits established in (1) above should be followed at all times. See also §200.12 Capital assets, §200.20 Computing devices, §200.48 General purpose equipment, §200.58 Information technology systems, §200.89 Special purpose equipment, and §200.94 Supplies for additional information on equipment.

Grant directors are required to keep an inventory of equipment including description, serial number, cost and location. As a part of the Murray State College Inventory process (MSC Policies and Procedures, page 79), each item will need to have MSC inventory number as well as a grant specific label. This information will be shared with the Executive Assistant to the Vice President of Finance and Administration to be included in the campus inventory list (MSC Policies and Procedures, page 79).

According to 2 CFR §200.313, equipment purchased to accomplish the goals and objectives of a grant shall not be available for general use, but may be “available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. When no longer needed for the original

program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

1. Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
2. Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

State Surplus Property

All surplus property will be handled according to Title 580, Chapter 65, from the Department of Central Services. Address: State Surplus, 2530 W. Reno Ave., Oklahoma City, (405) 525-2354

<http://www.oar.state.ok.us/oar/codedoc02.nsf/All/D1B0C4C51266D83C86257DA50070F5D7?OpenDocument>

Supplies

According to 2 CFR §200.94 Supplies mean all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. However, the OSRHE have defined equipment as any item over \$500. Any item with a value over \$500 will be inventoried and designated as equipment.

Travel Procedures

Grant directors are responsible for making sure all travel paid for through a grant is in support of the grant goals and objectives. Travel approval and cost must follow Murray State College policy (MSC Policies and Procedure Jan 2014, Page 98), including the use of the MSC Travel Request Form.

Steps for Approval of Travel

1. Fill out the MSC Travel Request Form.
 - a. When possible, please use the designated lodging site. It is possible to use an alternate lodging site if the cost is more affordable. Lodging that is given at the Government Rate (<http://www.gsa.gov/portal/category/100120>) should be used, when possible. If lodging is not available at the designated site nor at the government rate, then the cost of the lodging will be approved through the MSC Travel Request Form.
 - b. If a MSC Procard is to be used for any travel related costs, this must be indicated on the MSC Travel Request Form and approved prior to use.
 - c. The cost of airline travel can be obtained through a quote from an approved Travel Agent. Murray State College uses the following travel agent:

Shelley Lovan

All Seasons Travel, 1203 W Main St, Durant, OK 74701

580-924-9201

shelley@allseasonstravelok.com

If you are able to locate a more affordable flight than what the travel agent, you may use the more affordable flight, but you need to retain documentation.

- d. The cost of per diem, parking, and other incidental costs should be estimated as accurately as possible in the MSC Travel Request Form prior to approval.

- e. The grant budget paying for travel will be indicated on the MSC Travel Request Form prior to approval.
2. Once the MSC Travel Request Form has been approved, make one or more Purchase Orders to cover the cost of the flight, registration, and lodging.

Assurance of Non-Commingling of Funds

Murray State College, in compliance with uniform guidelines established by 2 C.F.R §200, will deposit funds and maintain the necessary internal controls through our business office, such that monies associated with individual federally funded grants, including pass-through funds, will be tracked separately. Through these processes, Murray State College has sufficient controls in place to prevent commingling of funds.

In addition, by the requirements established by 2 C.F.R §200 as well as Murray State College Policy and Procedure, federal funds specifically budgeted for one project may not be used to support another federally funded project.

Documentation and Record Keeping

The grant or program director will keep records of all official grant-related documents. It is highly recommended that the documentation for the funding opportunity be kept in a three ring binder, or similar organizer, containing the following:

1. A copy of the MSC Policies and Procedures for compliance with EDGAR as modified by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards with any updates regarding links to web pages.
2. A copy of the submitted grant proposal that was funded.
3. Copies of all communications, including emails, with the program officer.
4. Copies of personnel documents with respect to job descriptions, personnel action forms, and evaluations.
5. Budget expenditures, including Excel spread sheet, bids, purchase orders, invoices, and travel forms.
 - a. 2 CFR §200.49, Generally Accepted Accounting Principles (GAAP), establishes specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The FASAB Handbook, used as a supplement to GAAP, is updated annually to incorporate all accounting standards and other pronouncements issued through June 30 of each year. <http://www.fasab.gov/accounting-standards/authoritative-source-of-gaap/>
 - b. Final Certification of Yearly Budget (2 CFR §200.415)

In order to assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, all grants will submit as a part of their annual and final fiscal reports (or vouchers requesting payment under the agreements) must include a certification, signed by an official who is authorized to legally bind the non-Federal entity (typically the President or Vice President of Finance and Administration), which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or

otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”

- c. In the event that the end of the year report or the annual performance report does not include a statement such as the one above, the MSC grant director will submit a copy of the “Final Certification of Yearly Budget” form along with a hard copy of the final budget report to the President or Vice President of Finance and Administration. Copies of the signed form and final budget will be kept with the hard copy of the end of the year report or the annual performance report or scanned and saved to the same folder as the end of the year report or the annual performance report.
6. Data and reports related to the goals and objectives of the grant.
 7. Copies of all communications with the grant evaluator.
 8. Copies of all annual performance reports.

Grant Evaluation Procedures

Internal Evaluation

According to 2 CFR §200.61 Internal controls means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations
2. Reliability of reporting for internal and external use
3. Compliance with applicable laws and regulations

According to 2 CFR §200.62, internal control over compliance requirements for Federal awards means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

1. Transactions are properly recorded and accounted for, in order to:
 - a. Permit the preparation of reliable financial statements and Federal reports
 - b. Maintain accountability over assets
 - c. Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award
2. Transactions are executed in compliance with:
 - a. Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program
 - b. Any other Federal statutes and regulations that are identified in the Compliance Supplement
3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

External Evaluation

Evaluation of performance exists in a number of different formula (quantitative, qualitative, summative, and/or formative). Quantitative evaluation data may include numeric information, pre-and post-tests, interviews (depending on the data collected), participant statistics, review of expenditures, and surveys. Qualitative evaluation data may include surveys, questionnaires, data from focus groups, observations by grant personnel, data from interviews, case studies of grant participants, and expert opinions. Formative evaluation data may include pre-project review of literature or stakeholders, development of a logic model, interviews or focus groups during the project, or observation made during the project. Summative

evaluation examines the impact of your project on the target group and usually takes place at the end of the project.

Each grant needs to examine the depth and breadth of its goals and objectives in order to locate an external evaluator that can contribute positively to the grant performance reporting. Logic models are now an expected component of many funding opportunities. The grant evaluator needs to be work with the grant director in using the logic model to follow progress of the grant goals, objectives, benchmarks, inputs, activities, outputs and outcomes.

A number of resources are available for locating grant evaluators that may have experience in the funding area for your grant award. Although there are several links below that can connect you to state-wide or nation-wide list for grant evaluators, you are not obligated to seek out specific names on these lists. The most important aspect of a grant evaluator is to have someone that is knowledgeable in the methodologies written into your grant, the logic model, and the performance measures.

Grant Reviewer and program evaluators may be located at:

OSRHE (<https://www.okhighered.org/grant-opps/cgr/external-evaluators.pdf>) or
(<http://www.okhighered.org/grant-opps/people.shtml#msc>)

NCURA <http://www.ncura.edu/AboutUs.aspx>

The American Evaluation Association <http://www.eval.org/p/cm/ld/fid=12>

Performance Report Requirements

Performance reports for each grant will be prepared and submitted annually according to the requirements of the funding opportunity. The program director or grant director will ensure that the budget and grant report are clear, accurate and complete. Copies of the annual performance reports will be made available to the MSC Grant Coordinator as well as immediate supervisors in the organizational chart.

Monitoring Procedures

Monitoring and reporting program performance (2 CFR §200.328) will include the following:

1. The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities, assure compliance with applicable Federal requirements, and report that performance expectations are being achieved.
2. The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB Web site).
 - a. The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period.
 - b. The non-Federal entity must submit performance reports using OMB-approved governmentwide standard information collections when providing performance information.

3. A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful.
 - a. The reasons why established goals were not met, if appropriate.
 - b. Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
4. For construction projects, onsite technical inspections and certified percentage of completion data are relied on heavily by Federal awarding agencies. The Federal awarding agency may require additional performance reports only when considered necessary.
5. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:
 - a. Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
 - b. Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.
6. The Federal awarding agency may make site visits as warranted by program needs.

Fiscal Monitoring

Financial reporting, as governed by 2 CFR §200.327, allows that the awarding agency may solicit only the standard, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting.

Sub-recipient Monitoring

At the time that this document was drafted, Murray State College does not have any sub recipients. If a new grant is acquired that includes sub-recipients, this document will be edited to include the appropriate policies and regulations.

Grant Close-out Procedures

At the conclusion of a grant funding period, the grant director or program director will work with the MSC Grant Coordinator as well as their direct supervisor to finalize documentation, storage of equipment or transfer of supplies, refund any balances of unobligated cash, accounts for an real property (2 CFR §200.310, 2 CFR §200.316, 2 CFR §200.329). This process is under the regulations and policies established by MSC Policy and Procedure, State regulations, funding agency policy, and 2 CFR §200.343.

Personnel

Holders of administrative and staff positions funded through external, non-state sources are appointed, evaluated, or dismissed through the same mechanism as other college personnel. Depending on job performance, persons in these positions may continue their employment only as long as the grant is in effect. The College may accept external funding contingent on continuation of the position or function with college funds without making a commitment to continue the employment of the holder of the position or manager of the function.

Grant or program personnel holding positions that do not continue past the funding period will follow the Employee Clearance process established in the MSC Policies and Procedures (Page 31).

When leaving the employment of the College, all employees must:

- a. Meet with supervisor to obtain a Clearance Form (available on the MSC network under Common on Enterprise/MSF Forms) to be completed on the employee's last working day. Supervisors will initiate the Clearance Form process. Signatures are to be obtained in the order listed on the form.
- b. Complete an Exit Interview form (available on the MSC network under Common on Enterprise/MSF Forms).
- c. Supervisors will complete clearance process for employees who fail to meet clearance requirements.

Final Report

All purchase orders, invoices, and financial obligations from service agreements must be closed out no more than 30 days after the end of the funding period. The final annual report will be copied and sent to the MSC Grant Coordinator as well as immediate supervisors in the organizational chart no later than 90 days after the end of the performance period.

Record Storage

All records must be retained for 5 years beyond the submission of the final expenditure report or the final Annual Performance Report.. These records must be available in a timely manner for legal and fiscal purposes. For the sake of compliance with Uniform Administrative Requirements as well as conserving physical and financial resources, it is possible to scan and store these documents electronically. After 5 years, paper copies of the grant documents will be shredded and disposed of according to Murray State College policy as well as the General Records Disposition Schedules for State Universities and Colleges. <http://www.odl.state.ok.us/oar/docs/ucgrds-schedule.pdf>

Audit Procedures

Audit requirements (2 CFR §200.501)

Determining the appropriate audit requirements is based on the calculation of total funds expended during a fiscal year. The total funds expended is calculated based on when a Federal award is expended and based on when the activity related to the Federal award occurs. Generally, the expending funds pertains to:

1. events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards
2. expenditure/expense transactions associated with awards including grants
3. cost-reimbursement contracts under the FAR

(https://www.acquisition.gov/sites/default/files/current/far/html/Subpart%2016_3.html)

4. compacts with Indian Tribes
5. cooperative agreements
6. direct appropriations
7. disbursement of funds to subrecipients
8. use of loan proceeds under loan and loan guarantee programs
9. receipt of property
10. receipt of surplus property
11. receipt or use of program income
12. distribution or use of food commodities
13. disbursement of amounts entitling the non-Federal entity to an interest subsidy
14. the period when insurance is in force
15. Loan and loan guarantees (please refer to 2 CFR §200.501 section (b) for calculations)

A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR §200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year.

1. Single Audit : A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR §200.514 Scope of audit except when it elects to have a program-specific audit.
2. Program-specific audit is possible when an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit, the auditee may elect to have a program-specific audit conducted in accordance with 2 CFR §200.507.

In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards.

Auditor Selection Process

According to 2 CFR §200.7, auditor means an auditor who is a public accountant or a Federal, state, local government, or Indian tribe audit organization, which meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS).