TEXAS STATE TECHNICAL COLLEGE SYSTEM

SYSTEM OPERATING STANDARD

No.FA.3.4	**Page 1 of 6**	**Effective Date: 04/30/04**
DIVISION:	**Fiscal Affairs**	
SUBJECT:	**Administration of Sponsored Program Grants**	
AUTHORITY:	**Minute Order # 48-04**	
PROPOSED BY:	***Original Signed by Susan Vonder Hoya***	
TITLE:	**Chief Financial Officer**	**Date: 05/03/04**
RECOMMENDED BY:	***Original Signed by Susan Vonder Hoya***	
TITLE:	**Chief Financial Officer**	**Date: 05/03/04**
APPROVED BY:	***Original Signed by Bill Segura***	
TITLE:	**Chancellor**	**Date: 05/03/04**

STATUS: Approved by BOR 04/30/04 MO#48-04

HISTORICAL STATUS: Approved by MC 3/12/04
Proposed 3/12/04

POLICY

It is the policy of Texas State Technical College to ensure sound stewardship of sponsored program grants through effective accounting, budgetary, and monitory systems.

PERTINENT INFORMATION

Sponsored program grants are externally funded grants, which must be administered in accordance with applicable federal, state, and private regulations and guidelines, as well as Texas State Technical College (TSTC) policy and procedures.

This System Operating Standard establishes general requirements for maintaining a strong controlled environment that assures management that its fiduciary responsibilities are being met when grants are executed on behalf of TSTC.

In this System Operating Standard, the following terms have the meaning indicated:

A. Sponsored Program Grant – Funding awarded to TSTC by an external entity as an additional resource to support instruction, research, student services, and/or scholarships. These grants are usually given to accomplish specific purposes.

B. Sub-award or Sub-contract – A contractual agreement with an external individual or entity to perform a significant portion of the scope of work. The work is to be integral to the completion of the scope of work of the award made to the college.

C. Sponsor – The governmental agency or organization that makes an award directly to TSTC.

D. Principal Investigator (PI) or Project Account Manager – The individual who is responsible for proper fiscal management and compliance with all the terms and conditions imposed by the sponsor, appropriate federal and state regulations, and TSTC policy and procedures.

E. Acceptance of Award – The acceptance of the grant is in the form of a written contract signed by both the sponsor and the chancellor/president.

DELEGATION OF AUTHORITY

The chancellor, executive vice chancellor, and presidents are authorized to execute sponsored program grant agreements. In their absence, a vice president, chief financial officer, or their counterparts may execute such documents. The chancellor, executive vice chancellor, or president may delegate responsibility for implementing these agreements in accordance with this System Operating Standard.

OPERATING REQUIREMENTS

Pre-Award Activities

1. All sponsored program grant proposals will be consistent with the goals and mission of the college and the system.

2. The principal investigator (PI), in coordination with Resource Development Department, will be responsible for the accuracy of all material in the proposal.

3. The appropriate responsible party will ensure that the proposal complies with all sponsor requirements, federal and state regulations, including a conflict of interest statement, and TSTC policies and procedures.

4. The appropriate responsible party will obtain the written approval of the appropriate program/department head, resource development officer, chief financial officer, dean/vice president, and chancellor/president, using the Proposed Sponsored Program Grant Approval form (Attachment A). If any matching funds are being committed, the appropriate responsible party, in conjunction with the Business Office/Comptroller's Office, shall identify both the account number and amount of the matching funds.

   If more than one college is committing significant resources to the grant, a form must be

completed by each college, as appropriate.

5. The appropriate party will be responsible for submitting the proposal, with the proper signatures, to the sponsor by the deadline.

6. All proposals for federal grants will include a signed Conflict of Interest Disclosure for each principal investigator, project director, or researcher to be associated with the proposal. This Conflict of Interest Disclosure must be signed annually and any time one or more of the individuals changes from those included on the preceding disclosure form.

Award Activities

1. The sponsored program grant must be signed by both the chancellor/president and the sponsor.

2. The Business Office/Comptroller's Office will set up a general ledger account for the grant. If it is a federal grant, the Catalog of Federal Domestic Assistance (CFDA) number will be setup along with the associated general account number.

3. Budget and position changes, if applicable, must be set up before any expenditure is encumbered and before any salaries are paid.

4. Any difference between the maximum overhead allowed by a sponsor and the total allowed based on TSTC rates that are approved by U.S. Health and Human Services may be considered matching funds, if this is acceptable to the sponsor.

5. The principal investigator and/or project director must be familiar with all applicable federal, state, and/or private requirements for the proposal. Copies of all pertinent grantor regulations must be sent to the Business Office/Comptroller's Office and Resource Development Department.

Post-award Activities

1. The principal investigator (PI), in coordination with Resource Development Department, is responsible for the accuracy of all material in the reports and for compliance with all federal, state, private, and TSTC regulations, such as those related to disclosure of financial conflicts of interest.

2. The PI is responsible for ensuring compliance with all the terms and conditions imposed by the sponsor.

3. The PI, in conjunction with the Business Office/Comptroller's Office, is responsible for the preparation and submission of financial reports and any other related reports by the sponsor's deadlines. Before submission, the Business Office/Comptroller's Office and/or Resource Development Department should review the reports.

4. The PI, in conjunction with the Resource Development Department, is responsible for all progress reports submitted to the sponsor.

5. The appropriate person must make budget revisions that are consistent with the grant.

6. The PI is responsible for ensuring that the program account stays within budget. If the account is over-expended or costs are disallowed, the PI has primary responsibility for taking corrective action. If costs are disallowed, the PI or Project Director will notify the Business Office/Comptroller's Office immediately. The PI has thirty days from the date of notification by the sponsor to take corrective action. If the PI does not respond within this time frame, the Business Office/Comptroller's Office will identify an account for reimbursement and make corrective entries.

7. The PI, in conjunction with the Business Office/Comptroller's Office, must document that the matching funds comply with the sponsor's guidelines.

8. Any salaries budgeted from the grant must include benefits. Any personnel paid from the grant must have their time and effort documented.

9. All grant travel will comply with TSTC travel policy and procedures.

10. The official indirect cost rate will not exceed the most current rate approved by the U.S. Department of Health and Human Services. The current and direct cost rate through August 31, 2007, for an off-campus program is 16.7% and on-campus program is 43.0%.

11. For internal control, the Business Office/Comptroller's Office will receive funds directly from the sponsor and will receipt funds to the proper account. Neither the PI nor the Project Director will receive payments to the college.

12. At the conclusion of a grant, the PI, in conjunction with the Business Office/ Comptroller's Office and Human Resources Department, must ensure that arrangements are made for all grant employees to be transferred to a valid account or terminated.

13. At year end, all sponsored program grants that were awarded by a state agency must be reconciled and final reimbursement requested by the third week in September.

PERFORMANCE STANDARDS

1. All sponsored program grants have proper signatures and are maintained by an office designated by the chancellor/president.

2. Reports to sponsors are accurate, complete, and submitted in a timely fashion.

3. Grant funds have been expended for the purposes intended, and the grant is not over expended.

4. Grants are administered in accordance with applicable federal, state, and private regulations and guidelines, as well as TSTC policy and procedures.

COLLEGE OPERATING PROCEDURE

COLLEGE		**Page 1 of**
OFFICE OF RESPONSIBILITY:		
APPROVED BY:		
TITLE:		**Date**
FORWARDED TO SYSTEM OFFICE ON		

Attachment A
PROPOSED SPONSORED PROGRAM GRANT APPROVAL FORM

OVERVIEW

PROPOSED GRANT TITLE: _____

DUE DATE: _____

FUNDING SOURCE: _____

DOLLARS REQUESTED: $ _____

MATCHING AMOUNT REQUIRED: $ _____

ACCT NBR FOR MATCHING FUNDS: _____

APPROVALS

INITIATOR: _____ DATE: _____

PROGRAM /DEPARTMENT HEAD: _____ DATE: _____

RESOURCE DEVELOPMENT OFFICER: _____ DATE: _____

CHIEF FINANCIAL OFFICER: _____ DATE: _____

VICE PRESIDENT/DEAN: _____ DATE: _____

CHANCELLOR/PRESIDENT: _____ DATE: _____