

Manual of Policy and Procedures

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POLICY ON GRANTS AND EXTERNAL FUNDING	408	1 of 5
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PURPOSE

Consistent with the Board of Trustees' responsibility for oversight of all VSC finances, the purpose of this policy is to define and establish application, approval, acceptance, and monitoring processes for sponsored projects.

DEFINITION

A sponsored project is an activity with a specific scope of work that is funded externally by public or private sources. These include grants, sponsored contracts, and

equivalent office, must also perform a budget and compliance review before any proposals can be submitted.

A proposal shall require review and approval by the Finance and Facilities Committee and the Board of Trustees if it:

1. Requests \$1,500,000 or more per fiscal year, or
2. Involves annual matching or cost sharing of \$375,000 or more.

Prior to submitting a proposal for external funding, applicants are required to disclose any potential conflicts of interest to their appropriate administrator, following the procedures outlined in VSC Policy 207: *Trustee and Executive Conflict of Interest* and VSC Policy 210: *Employee Conflict of Interest*. If the proposal involves federal funds, the administrator shall disclose this potential conflict of interest, in writing, to the awarding agency or, in the case of pass-through funds, to the entity that is providing the federal sub-award.

Proposals that involve research require additional approvals prior to submission. To comply with 42 CFR Part 50, Subpart F – Responsibility of Applicants for Promoting Objectivity in Research, applicants proposing to conduct research using federal funding are required to identify significant financial interests. (See VSC Policy 435: *Externally Funded Research*).

II. ACCEPTANCE OF EXTERNAL AWARDS

All agreements for externally funded awards shall be signed by an authorized organizational representative (AOR) PPAC (10) - E (1) p (1) 1641002 (1) 4W (1) 37516.3103.2901012004 Tdbg.c.6510xp2

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4. Accountability: The VSC shall provide effective control over, and accountability for, all federal funds, property, and other assets to ensure funds are used solely for authorized purposes. Accounting records shall be supported by documentation.
5. Budget Control: The VSC shall compare actual expenditures with budgeted amounts for each federal award.
6. Cash Management: The VSC shall follow a reimbursement method of payment for federal awards, unless specifically directed otherwise by the granting agency.

F. Time and Effort Documentation

Employees paid with external funds shall document the time they spend working on sponsored

Appendix A: Allowability of Selected Items of Cost for Federal Grants

This chart lists selected items of cost contained in 2 CFR Part 200, Subpart E. Since many allowable costs have restrictions, VSC personnel responsible for charging expenses to federal grants should refer to the actual regulation for more guidance on whether a cost is allowable or not.

See <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E> for full descriptions of these categories.

CFR Citation	Item of Cost	Allowability
421	Advertising and public relations	Allowable with restrictions.
422	Advisory councils	Unallowable unless authorized by statute or the federal awarding agency.
423	Alcoholic beverages	Unallowable.
424	Alumni activities	Unallowable.
425	Audit services	Allowable with restrictions.
426		

449	Interest	Allowable with restrictions.
450	Lobbying	Unallowable unless specifically provided for in the award or prior approval obtained.
451	Losses on other awards or contracts	Unallowable.
452	Maintenance and repair costs	Allowable with restrictions.
453	Materials and supplies cost, including computing devices	Allowable with restrictions.
454	Memberships, subscriptions, & professional activity costs	Allowable with restrictions. Unallowable for lobbying organizations and country club memberships.
455	Organization costs	Unallowable except with prior approval from the federal awarding agency.
456	Participant support costs	Allowable with prior approval from the federal awarding agency.
457	Plant and security costs	Allowable; capital expenditures subject to 200.439.
458	Pre-award costs	Allowable with prior approval from the federal awarding agency.
459	Professional service costs	Allowable with restrictions.
460	Proposal costs	Allowable only as indirect costs.
461	Publication and printing costs	Allowable with restrictions.
462	Rearrangement and reconversion costs	Allowable as indirect costs. If charging as direct, it requires prior approval from the federal awarding agency. Budget justification must explain how facility modifications benefit the project.
463	Recruiting costs	Allowable with restrictions.
464	Relocation costs of employees	Allowable with restrictions.
465	Rental costs of real property and equipment	Allowable with restrictions.
466	Scholarships and student aid costs	Allowable with restrictions.