



Office of Grants and Sponsored Programs

Grants Compliance Manual

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The Grants Compliance Manual will be reviewed and updated annually or when there are changes to the Uniform Guidance for federal grants or College policies and procedures.

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1. INTRODUCTION

Grants compliance is a commitment to adhere to all requirements made by the funding agency. This is best accomplished through communication and collaboration. Montgomery College's long history of success in grant development and grant management underscores a pledge to excellence in successfully reaching and/or exceeding program objectives by all those involved with sponsored programs. To ensure program compliance for each awarded grant at Montgomery College there should be a collaborative effort among all departments involved with grant activities including the Office of Grants and Sponsored Programs; the Office of Business Services; the project director¹; and the participating department. When all parties function together as one, the best outcomes can be reached. Please be assured that if the following procedures are followed, MC will consistently produce well managed grants.

The goal is to complete all work stated in the program narrative while adhering to contractual, regulatory, and statutory provisions. The grants compliance specialist works closely with the project director providing resources and assistance. The Office of Business Services monitors all financial transactions.

The Office of Grants and Sponsored Programs has developed processes to ensure the standards of compliance are met across each grant. Processes must be followed to remain eligible for federal and state funds.

The goals of the Office of Grants and Sponsored Programs are to: abide by all rules stated in the terms and conditions of the grant, complete all objectives listed in the project narrative, improve efficiency, and promote proactive grant management by the project director.

To meet these goals, the Office of Grants and Sponsored Programs will:

- implement procedures to promote consistent standards;
- establish regular communication with project directors and grant accountants;
- provide updated information and training regarding grants management to all project directors;
- provide assistance to the Institutional Review Board (IRB) process if project involves research with human subjects;
- encourage project directors to proactively manage projects; and
- identify appropriate trainings to project directors.

The project director is expected to comply with the College's [policies and procedures](#), the [Uniform Grant Guidance](#) for federal grants, and the specific funding agency's terms and conditions.

¹ For the purpose of the Grants Compliance Manual, "project director" will include "principal investigator," "grants manager," "project manager," and other titles for those individuals responsible for implementing and managing a specific grant.

Some common grant compliance issues include:

- failing to submit reports and/or financial documents by mandatory due dates;
- failing to obtain funding agency approval for program and/or budget changes;
- failing to complete objectives proposed in grant narrative;
- failing to adhere to the terms and conditions of grant outlined in the grant award;
and
- failing to notify funding agency of changing project director.

2. ROLES AND RESPONSIBILITIES

a. **Project Director**

- i. completes project director training designated by the Office of Grants and Sponsored Programs;
- ii. prepares and submits all programmatic reports to funding agency by the due date and sends a copy of report to the Office of Grants and Sponsored Programs;
- iii. oversees the daily operations of the grant program;
- iv. maintains compliance with all funding agency requirements and college policies and procedures;
- v. communicates regularly with the Office of Grants and Sponsored Programs and the Office of Business Services;
- vi. facilitate strong communication with program officer at funding agency;
- vii. ensures that program meets goals described in project narrative;
- viii. collects Effort Certification Reports from staff;
- ix. verifies completeness and accuracy of Effort Certification Reports;
- x. hires staff to implement the goals of the grant;
- xi. procures goods and services following College's policies and procedures and federal/state regulations;
- xii. evaluates the progress and monitor the measurable goals of the grant;
- xiii. if applicable, conducts subrecipient monitoring;
- xiv. if needed, requests modifications and/or extensions and follows the process for submitting the request as per funding agency instructions; and
- xv. facilitates all programmatic steps for grant closeout, including retaining records according to the College's records retention schedule and funding agency specifications.

b. **Grant Accountant**

- i. attends pre-award and post-award Grant Kickoff meetings/trainings and other grant meetings as needed;
- ii. with the director of OGSP, negotiates with the grantor to finalize financial awards as required;
- iii. sets up grant award in College's financial system;
- iv. reconciles Effort Certification Reports to payroll register;
- v. processes drawdowns;

- vi. prepares regular financial summary reports for Office of Grants and Sponsored Programs;
- vii. prepares and submits all required financial documents ensuring that they reflect the College's official accounting records and meets all funding agency requirements;
- viii. with the project director and OGSP, prepares budget modifications for grantor as necessary;
- ix. if applicable, assists the project director with subrecipient monitoring; and
- x. prepares checklist to close grant and submits required documents to funding agency.

c. Grant Compliance Specialist

- i. monitors the programmatic portion of all grants to ensure all guidelines are followed;
- ii. ensures all required reports are submitted by assigned project directors to the funding agency by mandatory due dates;
- iii. ensures project directors understand, and comply with, policies and regulations of the funding agency and Montgomery College;
- iv. works with project directors to complete the Grant Position Personnel Form and provides to the assigned grant accountant;
- v. collects the Effort Certification Reports from project directors upon completion of each semester and provides to the assigned grant accountant;
- vi. ensures accurate and complete information is maintained for all grants;
- vii. leads introductory, post-award Grant Kickoff meetings/trainings with project directors;
- viii. conducts 30/60/90-day follow up meetings and annual meetings with project directors;
- ix. supports project director in processing subaward agreements and subcontracts, working with the Office of the General Counsel and Office of Procurement as needed;
- x. provides project directors with updates/changes in federal and state regulations;
- xi. if applicable, supports project director with subrecipient monitoring, including collecting Annual Certification form, reviewing Single Audit, and checking the List of Parties Debarred from the federal government; and
- xii. implements procedures listed in the Grants Compliance Manual and makes appropriate changes and updates to the manual as required; provides manual to all project directors whenever there is an update and ensures most recent Grants Compliance Manual is available on the Office of Grants and Sponsored Programs' website.

3. ADDITIONAL TRAINING

a. Grants Management

- i. All project directors will be provided with the [Uniform Guidance](#) (UG) which establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The UG sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education.
 1. Grants.gov offers free pre-award and post-award federal grants training: <https://www.grants.gov/web/grants/learn-grants/grants-101.html>.
 2. In February 2018, the Office of Budget Management (OBM) made the training developed by federal program officers available to the grants community (<https://blog.grants.gov/2018/02/01/omb-publishes-free-online-grants-management-training/>). This free online training includes modules on various areas of grants management: laws, regulations, and guidance; financial assistance mechanisms; Uniform Guidance administrative requirements; cost principles; and risk assessment and single audit.
- ii. Project directors must complete required training as established by the Office of Grants and Sponsored Programs, Office of Business Services, Human Resources and Strategic Talent Management, and Office of Compliance, Risk, and Ethics.

b. Human Research Protection

- i. If applicable, project directors will need to participate in Human Research Protection training, and the Office of Grants and Sponsored Programs will work with the project director to identify appropriate training. Some resources include:
 1. The [archived course](#) from NIH along with the [archived quiz answers](#).
 2. The Office for Human Research Protections of the U.S. Department of Health & Human Services has provided a number of resources including: a three-module [Assurance Training](#), a series of [informational videos](#) in English and Spanish, and an online training on [Protecting Research Volunteers](#).
 3. [The Belmont Report](#), published in 1979, remains an excellent resource on the ethical principles and guidelines for the Protection of Human Subjects of Research.
- ii. The Office of Grants and Sponsored Programs also will work with project director if an application needs to be submitted to the College's [Institutional Research Board](#).

c. Research Misconduct

- i. If applicable, project directors and other key personnel will need certify that they have received, reviewed, and understand the College's [research misconduct policy and procedure 68005](#) and the federal research misconduct policy. The Office of Grants and Sponsored Programs will track this certification and provide research misconduct training.

d. College Financial System

- i. Project directors should complete the online training for the College's financial system through MyMC. The link to the training can be found on the College's website Workday page under Workday Training: <https://info.montgomerycollege.edu/offices/information-technology/workday/workday-training.html>

4. ACCEPTING THE AWARD

- a. As the Authorized Organizational Representative (AOR), only the Montgomery College President Jermaine F. Williams, or his designee, can accept a grant award. The Office of Grants and Sponsored Programs will work with the Office of the President to facilitate this process.
- b. Upon receipt of award, the Office of Grants and Sponsored Programs sends notification to the president and project director.
- c. The Office of Grants and Sponsored Programs obtains required signatures and returns documents to the funding agency.
- d. A grant records file is created in the Office of Grants and Sponsored Programs.

5. ANNOUNCING THE AWARD

- a. The Office of Grants and Sponsored Programs distributes a congratulatory award email to the project director, appropriate dean, and to the Office of Business Services.
- b. The Office of Grants and Sponsored Programs prepares a draft press release for announcing the award inside and outside the College community; and works with the Office of Communications to finalize and distribute the release. Announcements also can be made in *Inside MC Online* and other College publications.
- c. Public announcements of awards must follow specific funding agency terms and conditions.
- d. In addition, for certain federal grant awards (US Department of Labor, US Department of Health and Human Services, and US Department of Education), the Stevens Amendment must be followed in order to give the federal government credit for federally-funded programs. The College is required to disclose funding information on press releases, statements, requests for proposals, bid solicitations, and other documents that describe the programs funded in whole or in part with federal money. The Grants Office will provide Stevens Amendment training and

will work with the project director to draft a statement to include the following information:

- i. The percentage of the total costs of the program or project which will be financed with Federal money;
 - ii. The dollar amount of Federal funds for the project and program; and
 - iii. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.
- e. The Office of Grants and Sponsored Programs works with the Office of Government Relations to communicate with elected officials, as needed.

6. INITIATING THE AWARD

a. Post-Award Grant Kickoff Meeting/Training

- i. The grants compliance specialist will schedule and facilitate the initial post-award meeting/training, which will be attended by the project director and the grant accountant. If appropriate, the project director's chair, dean, or supervisor will be invited to attend to ensure department support and overview of the grants.
- ii. In addition, representatives from other College departments will be invited, as appropriate. These departments may include Procurement, Human Resources and Strategic Talent Management, Office of Research and Institutional Effectives, Facilities, Information Technology, and/or the Office of Scholarships and Financial Aid.
- iii. During this meeting, the grants compliance specialist will review the terms and conditions with the project director. All narrative and financial reporting due dates will be reviewed at this time. The Office of Grants and Sponsored Programs can answer questions, and follow up with the funding agency's program officer should any questions remain.

b. Setup Grant Accounting Structure and Budget

- i. Project directors will meet with grants accountants to set up the account codes for the grant. This will allow for both parties to have a clear understanding of what each account category is assigned to.

c. Obtain Access to Finance System

- i. Project directors or designees should obtain access to the College's financial system to monitor grant expenditures. This allows for the project director to track expenditures and remaining balances of grant funds.

d. Create a Grant Management Plan

- i. A grant management plan is critical for successful implementation of an award. The college is expected to comply with all terms and conditions outlined with grant award. Noncompliance can result in termination of award and rejection from future funding from agency. The Project Director is responsible for creating the grant management plan and ensuring the plan is executed. It is also the responsibility of the Project

Director to ensure that the grant management plan ensures all the rules and regulations are followed. The Office of Grants and Sponsored Programs is available to assist with this process.

7. MONITORING THE AWARD

a. Requesting Modifications or Extensions

- i. Most statement of work (SOW) or budget modifications require preapproval from the funding agency. If a project director desires to make any changes to the grant management plan, please notify the Office of Grants and Sponsored Programs and the Office of Business Services. The grant accountant and grants compliance specialist will assist with the process of making the request, following the funding agency's instructions for such a request.
- ii. Extension requests should be a last-resort measure. The goal in accepting a grant award is to complete the work and expend all funds by the grant's end date. In some cases, an extension is warranted. There is an option for a no-cost extension. This is an extension that moves the end date of the grant back. No new grant money is received and the scope of work does not change.
- iii. Approval for modifications or extensions is not guaranteed and must be approved by funding agency. Requests must be submitted prior to the grant end date, based the specific funding award terms and conditions.
- iv. Until written approval has been received from funder, costs and activities are subject to original terms and conditions of the award. Request made after the due date may result in a reduction or loss of funds.

b. Monitoring and Tracking Grant Expenses

- i. Monitoring and tracking grant expenses is as important to the grant as completing the actual work. MC is responsible for all grant funds awarded to the college. The grant accountant submits the fiscal reports by the due dates and processes drawdowns on a scheduled determined by the funding agency.

c. Effort Certification Reporting (Time and Effort Reporting)

- i. Effort Certification is the method by which employees record their percent of effort worked on a grant. This is required by [Federal Regulation 2 CFR 200.430](#) of the Uniform Guidance. At this time, MC requires Effort Certification Reporting for all federal and state grants.
- ii. It is imperative to capture this information to accurately reflect the work that was completed on a grant. Inaccuracies in reporting lead to more scrutinized audits and, in some instances, funding agencies disallowing cost claims. The grant accountant will reconcile the Effort Certification Report with payroll, and adjust, if necessary.

- iii. It is important to note that administrators, faculty, and staff will need to verify their Effort Certification Report even if their time is being contributed to project as a cost share, match, in-kind, or leverage.
- iv. The Grants Office will work with the project director to complete the initial Grants Personnel Position Form. This form documents the name of the employee, grant-funded title, position number, hire and termination dates, and other pertinent information. The grants compliance specialist will then review the information with the project director prior to each reporting period and update the form if necessary. The grants compliance specialist will provide the form to the grant accountant to assist with compilation of the Effort Certification Reports.
- v. The grant accountant will generate the Effort Certification Reports after each reporting period (after that fact reporting) and provide the Effort Certification Reports to the project director. The report reflects the percentage of effort charge to the grant award.
- vi. The project director will review and have each employee certify that the Effort Certification Report is accurate. If it is accurate, the employee as well as the project director, or the individual with first-hand knowledge of the employee's work, should sign the report and return to the grants compliance specialist. The project director's supervisor should sign his/her Effort Certification Report. If the report is not accurate, discrepancies should be immediately reported to the grant accountant to do the required reconciliation.
- vii. At the discretion of the Office of Business Services and/or the Office of Grants and Sponsored Programs in consultation with the PI, an alternative document or form may be used in lieu of the College's Effort Certification form for projects with large numbers of employees. The form must document the name of the employee, name of the grant, effort on the grant, and is confirmed and signed by the PI.
- viii. There are four reporting periods based on the College's semesters and fiscal year: Summer II, Fall, Spring, Summer I. The reports are due 30 days after the end of each reporting period. The Office of Business Services may modify the due dates as needed.
- ix. If a grant has subrecipients, the project director must ensure that the subrecipients submit Time & Effort or Effort Certification Reports with the supporting documentation.

d. Adhering to Reporting Requirements

i. Program Reports

- 1. The project director is responsible for completing and submitting all required programmatic reports to funding agency. The report must be submitted on time and all data must be accurate. The report must adhere to all requirements listed in the terms and condition of the grant. If data is required from another department such as the Office of Institutional Research and Effectiveness or the Scholarship Office, please allow for enough time for those departments to compile the information.

2. The grants compliance officer will send out regular email reminders to project directors of when a report is due. The first email reminder will be sent out 30 days prior to the due date. A second email reminder will be sent 14 days prior to the due date.
3. When submitting a report to the funding agency the Project Director must also send a copy of the report to the Office of Grants and Sponsored Programs so that it may be retained in the grant file.

ii. Financial Reports

1. The Office of Business Services is responsible for preparing and submitting all financial reports on time. The grants compliance specialist will send an email reminder to the assigned grants accountant 30 days and 14 days prior to the report deadline. The project director must provide the Office of Business Services the information needed to complete the report. The grant accountant should provide a copy of the financial reports to the Office of Grants and Sponsored Programs to be retained in the grants file.
2. The grant accountant should alert the Office of Grants and Sponsored Programs of any issues regarding under spending, over spending, and/or disallowed costs.
3. For documenting and reporting in-kind, cost-sharing, matching, and/or leverage resources, please refer to the Office of Business Services' Standard Operating Procedures. Training is available if required.

8. SUBRECIPIENT MONITORING

a. Subaward Agreement

- i. The Office of Grants and Sponsored Programs will work with the project director and the Office of General Counsel to create the subaward agreement and to secure required signatures.

b. Monitoring Plan

- i. The project director is responsible for programmatic and financial monitoring of the subrecipient to ensure program deliverables are met and expenditures are allowable according to funding agency requirements and College policies and procedures.
- ii. The project director will develop a monitoring plan, and the Office of Grants and Sponsored Programs is available to assist in developing this plan. The monitoring plan should include:
 1. Scheduling a regular communication process, which can be by email, phone, and/or meetings, and documenting the communication;
 2. Reviewing programmatic reports to ensure subawardee is conducting activities in accordance of the subaward agreement;
 3. Reviewing cost reimbursement requests and supporting documentation; requesting additional documentation as needed;

approving or disapproving for payment; and alerting the grant accountant to make payment;

4. Conducting site monitoring visits, at least annually, documenting assessment and, if needed, developing a remediation plan for resolution, such as increased monitoring. The Office of Business Services has created a fiscal monitoring tool for the grant accountant to use during the site monitoring visit;
5. Providing copies of the programmatic and fiscal monitoring reports to the grants compliance specialist; and
6. Providing training or technical assistance, as needed, including on topics such as the Stevens Amendment or tracking cost sharing, matching, and/or leverage resources.

c. Annual Certification and Single Audit/Financial Statement Review

- i. The grants compliance specialist is responsible for ensuring that subrecipients complete an annual certification.
- ii. This process includes collecting and reviewing the single audit if subrecipient expends \$750,000 or more if federal funds during the fiscal year, or the financial statement if below this \$750,000 threshold. The review should include the corrective action plan to resolve audit findings, if any.
- iii. The grants compliance specialist will share the single audit/financial statement with the project director and the grant accountant. Together, the project director, grant accountant, and grants compliance specialist will recommend if subrecipient requires increased monitoring based on the single audit.
- iv. The grants compliance specialist also will verify that the subrecipient is not suspended or debarred. Note that the Office of Procurement also checks the subrecipient's status regarding suspension or debarment during the process of creating a purchase order for payment.

d. Closeout and Records Retention

- i. The project director will ensure that all required deliverables (program reports, final invoices, equipment list, etc.) have been received from subrecipient and verify completion of the project.
- ii. The project director will work with the grant accountant to perform a final review of all costs charged by the subrecipient to ensure that only allowable costs have been incurred.
- iii. The project director will alert subrecipient to submit the final invoice with a due date for final payment.
- iv. The project director will remind subrecipient of funding agency requirements for records retention.
- v. The project director will notify the subrecipient when the grant formally closes.

9. GRANT CLOSEOUT

- a. Grant closeout is the final step in the completion of a grant project. The purpose of a grant closeout is to ensure that all work has been completed for the grant and all financial documents have been received and reconciled. If all steps are not completed, the grant cannot officially close and could affect future funding.
- b. A final programmatic report is due at the end of the project period. This report encompasses all activities that were completed for the grant.
- c. A final drawdown is determined by the funding agency's terms and conditions. A final expense report must be reconciled in order for the grant closeout process to be complete.
- d. For some grants, there may be an additional asset or equipment report.
- e. Once all documentation has been completed, the funding agency will notify Montgomery College that the grant has been reconciled and is officially closed.

10. RECORD RETENTION

- a. In accordance to Montgomery College's [Records Retention Schedule](#), it is required to retain copies of proposal, approved agreement, financial records documenting the receipt and expenditure of funds, and periodic required reports relating to federal and federal via state grants received by the College.
- b. Said records are to be kept until an audit, possible under terms of the grant, is completed. For federal grants, records required to be are retained for three (3) years after the final expenditure report is submitted. State and local grants may have other requirements regarding the length of time records need to be retained. It is important to review and follow the records retention of the specific funding agency and terms and conditions of the award. During the retention period the funding agency has the right to request information or access to grant records.
- c. The Office of Grants and Sponsored Programs will archive the project director's records if needed.
