![Mercyhurst University logo]

Division of Advancement

Department of Government and Foundation Relations

Grants Orientation Handbook
2024

Mercyhurst University's Department of Government and Foundation Relations is available to assist in identifying and successfully applying for grants to fund projects that increase our capacity to address our mission and achieve our goals. The Department strives to enhance relationships with a pool of foundations and government entities through cultivation and application submission.

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GRANTS OVERVIEW

Purpose

All grant projects exist to address a need* identified by the funder. A grant project is always a give-and-take scenario, wherein the funder wants to implement a project to meet its goals and objectives and the institution applying for the grant designs a project according to the funder's terms, because there are shared goals between the two or because the institution will also address its own goals and objectives in implementing the project. All grants entail activities that are tied to outcomes and performance measures and reporting.

*A "need" is a problem that is impacting success: e.g., students with low academic literacy have difficulty succeeding in college courses, which impacts college completion, especially among disadvantaged students; or, to survive and thrive during economic downturns, small businesses need to be flexible and identify alternative opportunities for revenue generation. The need is to improve students' learning or to improve businesses' adaptability. The method to address the need – what the project will do – is the strategy identified by the person designing the project to improve the area of need identified by the funder. Thus, a successful grant proposal would not identify the need as "we need a computer lab," but would identify a computer lab as a strategy to address a need to improve student learning. Identifying a strategy is the first step; the next step is to identify research, experience, and data which document that the identified strategy will achieve the results expected from the project.

Types of grants

Competitive: As the name implies, these grants are awarded through a competitive process, based on the highest-scored applications.

Entitlement: Entitlement grants are annual and continual funding allocations from the government.

Sub-agreements: When another institution has applied for and been awarded a grant and provides grant funds to Mercyhurst University to implement a part of the project, it is known as a sub-award. When Mercyhurst University applied for and was awarded a grant and provides grant funds to another institution to implement a part of the project, that institution is a sub-recipient. A sub-agreement is developed that outlines the terms of the project, participation, and reporting requirements. The sub-agreement process is more complex and requires additional time and effort for proposal and management afterward for all grant roles.

Funding sources

Federal: A key source of grant funding for Mercyhurst University is federal grants. Mercyhurst has previously received federal grants from the Department of State, National Science Foundation, National Endowment for the Humanities, Department of Justice, Environmental Protection Agency, and NASA.

State: The main source for state grants for Mercyhurst University is the Pennsylvania Department of Education. Mercyhurst also has received grants from the state Redevelopment Assistance Capital Program, Department of Environmental Protection, the Pennsylvania Council on the Arts, Pennsylvania Commission on Crime and Delinquency, and the Pennsylvania Museum and Historical Commission.

Local (city, county) or Foundations: Mercyhurst University has been awarded grant projects from foundations, such as the Edith L. Trees Charitable Foundation, the George I. Alden Trust, the Stackpole-Hall Foundation, the A.J. and Sigismunda Palumbo Charitable Trust, the Erie Community Foundation, and the Eric County Gaming Revenue Authority.

Basic elements of a grant proposal

Need Statement: Funders identify specific needs to be addressed by a project: e.g., improving college completion rates among low-income students; increasing the number of STEM majors; improving diversity; etc. The application for funding must demonstrate how the project will meet the identified need, using information, data, and evidence compiled for this purpose.

Project Design and Work Plan: A detailed description of what will be done in the project. The design needs to align with the need, as a solution would directly align to a problem. The project design should address who, what, where, when, and how, and refer to research, data, and experience that indicates why the activities described in the project design will effectively address the need/problem.

Management Plan: Describe the staffing and meeting structure to ensure that the project is implemented effectively: activities are implemented on time, grant funds are spent in a timely manner, all costs are compliant with the grant terms and conditions, all costs are appropriately documented, the project is meeting targets and progressing toward completing objectives, and required reports are submitted on time.

Personnel: Identify the key personnel for the project, including a description of the qualifications and experience required for the positions, a description of the work to be performed for the project, and brief biographical description if the staff members are already identified at the time of proposal development.

Evaluation Plan: Describe the plan to collect and analyze the data needed to evaluate the project's effectiveness and to respond to required reporting and performance measure requirements of the grant.

Budget: Identify all the costs to be incurred in implementing the project: staff, fringe benefits, materials and supplies, contracts and services, services and items for students, travel, indirect cost rate, etc. If matching funds are required, the details of where the match is sourced (i.e. actual account number or method to determine in-kind funds, such as ten volunteer hours at $31.80 per hour), must be documented in detail. All budgeted items must be based on market value pricing and if item cost is applicable to written quotes/bidding process, as per the University purchasing policy, and a specific vendor is named in the proposed budget, all details noting the written quotes/bids must be provided for review to the Finance Office and Faculty Research and Grants

Compliance Officer (GCO). Staff costs and fringes should be reviewed with the GCO for reasonableness and compliance to Internal Revenue Service and the Department of Labor laws, as well as Mercyhurst policies. The federally approved University indirect cost rate is 44.7% for on-campus activities and 25.4% for off-campus activities and must be included when allowable by the funding agency. Grants that do not allow for indirect costs to be budgeted or cap the indirect rate will be considered by GFR on an individual basis.

Timeline to develop a proposal

After a Request for Applications (RFA), Request for Proposals (RFP), or Solicitation is released, there are usually 30 to 45 days to complete and submit a grant application. The process to authorize the decision to pursue a grant can take a week and, given the time it can take to identify who will serve as the project director (PD) or, if research-based, principal investigator (PI), and the proposal writers, the time remaining for grant development can be reduced to 3-4 weeks. The normal lead time for document review by GFR is five business days for each version of the proposal; therefore, there is barely sufficient time to prepare a competitive application, and requires the commitment of a grant team, PD/PI, Dean/Area VP, GFR, and Finance to be successful.

Where to find grant opportunities

Federal grant opportunities are all listed at one website: www.grants.gov. A person can see the newest grant opportunities released and search for grants by agency and keyword.

Pennsylvania state grants can be identified by reviewing each department's website. The state departments do not have a standardized method of listing grant opportunities, so it can take some time and digging to identify current grants.

Local grants (cities, counties, businesses, and companies) can be located on the government or corporation webpages. Some cities and counties use a contracts service that requires registration to review opportunities.

Foundation grant opportunities can be identified by visiting the webpages for the funding organizations, such as Packard Foundation, Irvine Foundation, Gates Foundation, etc.

It is helpful to sign up for newsletters or notifications from government departments, foundations, and organizations in which you have interest and overlapping goals.

Key roles in grants

Responsible	Accountable	Consulted	Informed
Grant Project Team	PD/PI Role	GFR & Finance Staff	Dean/Area VP

PD/PI Role

The PD/PI is the most significant person involved in a grant. They are ultimately responsible for completing the activities and achieving the outcomes of the project as well as managing the budget, supervising staff, and coordinating with partners to implement the project effectively and in compliance with the policies, procedures, and regulations of the granting agency and Mercyhurst. Thus, a significant amount of a PD/PI's time can be spent on administrative details.

The GFR team is here to help the PD/PI through the process, from finding funding opportunities to assisting with the grant application to guiding the PD/PI through the compliance requirements.

GOVERNMENT & FOUNDATION RELATIONS PROCEDURES

For grant projects to function efficiently and effectively, the University has established procedures that involve various departments to help the PD/PI. GFR, within the Advancement Office, provides pertinent information regarding grants and contracts to grant PD/PIs and identifies, summarizes, and disseminates information regarding grant opportunities to the appropriate administrators and other potential PD/PIs.

Mercyhurst encourages faculty to pursue externally funded research grants and contracts to contribute to their discipline and to further their own disciplinary knowledge. For more information, please contact Rich McCarty, Interim Vice President for Academic Affairs, at rmccarty@mercyhurst.edu.

Applying for a grant

The basic steps to applying for a grant are listed below to provide a general sense of the process. Be advised that the application process varies based on granting agency requirements.

1. Identify an opportunity, understand the agency compliance requirements and related work responsibilities to meet the guidelines, and decide to take the lead as the grant PD/PI. Grant applications often require several weeks or months to compile, so any potential PD/PI interested in applying for a grant should start this process as soon as they become aware of the funding opportunity.

2. Meet with the Dean or Area VP to discuss and review the opportunity. If there is a decision to move forward, contact GFR to schedule a meeting.

3. At the meeting, GFR staff will review the terms of the grant opportunity with the PD/PI and other grant development team members and assist them with completing the Intent to Apply for External Funding Form, which is submitted by the PD/PI's Dean/Area VP for review and approval. ***The Intent to Apply Form must be completed and signed by the appropriate individuals (as indicated on the form) before any grant application can be submitted.*** The completed signed form indicates approval from the University for the PD/PI to pursue this funding opportunity and commit University resources to the project.

4. If the Dean/Area VP gives approval, GFR will notify Finance staff of the pending application. PD/PI will work with GFR staff to design a development schedule, assign elements of the proposal to complete with deadlines and review sessions, and confirm if the proposed timeline is achievable based on competing priorities to maintain normal University operations. Work backwards from the due date, ensuring plenty of time for revision, approvals from different parts of the University, and potential technical difficulties to ensure that competitive proposals with fully developed projects that meet the University's goals and mission are produced and have the commitment of the institution and departments involved in the project.

5. Drafts of the proposed budget/match are created by the PD/PI with the assistance of GFR staff and then provided to the Finance staff for review/approval.

6. After a continual process of drafts, review, and editing, the final narrative and budget will be ready for submission. Additional elements often are required for an application—partner letters, assurance and certification forms, proof of eligibility forms, letters of support, budget summary forms, application face sheets, curriculum vitae, etc.—and the time it takes to compile these items needs to be taken into account. Grant development teams primarily work on the creation of key narrative sections and the budget for the proposal.

7. GFR staff prepares the final application and submits it to the funder. A complete copy will be sent to the PD/PI, key members of the project, and Finance staff.

8. Finally, we wait. It can take up to six months to receive a response from the funder on some applications, and some funders may request additional information from the PD/PI before making a final award decision.

After the award is made

1. If awarded, the PD/PI will be notified and should forward copies of the announcement to the Dean/Area VP, GFR, and Finance. GFR will follow-up with the funder for acceptance and coordinate a start-up meeting with PD/PI, GFR, and Finance.

2. Finance will create a unique project code and 20-account for each grant. All revenue and expenses for this grant will flow in and out of that account. Finance will provide the PD/PI with viewing access to the account in Self-Service. The GCO will set up the individual budgeted line items in the account and advise the PD/PI on allocating expenses to the appropriate 13-digit general ledger account.

3. Expenses incurred as budgeted in the grant must be submitted to the GCO by the PD/PI with receipts within 30 days. Approved grant expenses must be signed by the PD/PI, the PD/PI's supervisor, and GCO. Please note the financial system runs on the University fiscal year (6/1-5/31); the grant budget timing often will not match and may cross over two fiscal years. *NO grant funds may be spent before the grant's performance period begins. Any money spent on a project before this date will be charged to the PD/PI's department.*

4. The PD/PI is responsible for all items listed in the PD/PI role and should refer any programmatic and financial questions to the GCO. When the question is subjective and the GCO is unable to provide clarification, the PD/PI should contact the grant program officer at the funding agency for assistance. This discussion should be in writing, to document the decision, and forwarded to the GCO for insertion into the grant record file. If the grant program liaison is unwilling to reply via email, summarize the conversation – noting all facts (date, time, parties included, background, decision, etc.) and their unwillingness to provide written documentation, and forward to the GCO.

5. If the PD/PI overspends the budget, the excess amount will be charged to the PD/PI's University department. If the PD/PI spends less than the budget, any unspent funds will be returned to the funder unless the funding agency allows for a budget extension or for the balance to be carried over to a future budget year. Often this requires advance approval from the program officer at the funding agency.

6. If applicable, the PD/PI is responsible not only for their grant budget, but also the budget of each sub-recipient. Sub-recipient monitoring requires the PD/PI to approve and take responsibility for each dollar provided to the sub-recipient at the same level of compliance that would be placed on the PD/PI's portion of the grant award.

7. Progress and financial reports must be sent to the GCO (10 days prior to the deadline) to be reviewed and signed off before submission to the funder. The PD/PI is responsible for and must track all reporting deadlines. Late reports can affect Mercyhurst's ability to apply for grants from the funder in the future. The GCO is available to assist with questions about reporting, but this must take place well in advance of the reporting deadline. Please note sub-recipients' data need to be included in the progress and financial reports.

8. Funding agency inquiries, site visits, and audits may occur at any point during the grant award period and up until the funding agencies' required record retention date. If the PD/PI, GFR, or Finance receives such a notice, the request should be forwarded to all involved parties for awareness and support. In addition, the federal government requires an annual external audit of all federal funds spent during the University fiscal year, and the PD/PI may be required to provide documentation if the auditor selects their grant expenses in a test sample.

9. Each grant agency has its own record retention guidelines that must be adhered to. Mercyhurst's policy is to retain all grant records for at least seven years after the grant budget period ends.

Finance Office Role

Designated Finance staff provide financial oversight to grant-funded projects and coordinates with the GCO to ensure accuracy of financial information and that expenditures are allowable and consistent with Mercyhurst policies. Finance is responsible for reviewing and certifying all financial grant reports and drawdowns for the funding agency, following approval by the GCO.

PROJECT IMPLEMENTATION

NOTIFICATION OF NEW AWARD: Upon receipt of a grant award notice, the PD/PI should immediately forward this information to their Dean/Area VP, GFR, and Finance.

COMPLIANCE: Read the grant terms and regulation documents thoroughly: i.e., the RFA, RFP, or Solicitation, the grant contract documents, and any other information provided by the funding agency to become familiar with the terms for compliance, including required program and financial reporting. If there are concerns about the compliance requirements, GFR will determine if a discussion is needed with the funder before accepting the grant.

ACCEPTANCE: Each grant must be officially accepted by Mercyhurst. The PD/PI is NOT authorized to accept an award on behalf of the university. GFR will determine the authorized signatory for each grant and facilitate obtaining that signature.

PROJECT IMPLEMENTATION: Implement the proposed project by following the project work plan approved by the funder. Ensure that all activities are allowed under the grant terms and are directed toward achieving the project's objectives and goals. Contact the GCO with questions on what activities or expenditures are allowable under the grant.

DATA COLLECTION: Set up a data-tracking system at the beginning of the project to ensure that accurate and complete data needed to measure project objectives and performance measures are available to periodically evaluate project implementation (at least quarterly) and to complete periodic reports to the funding agency.

STAFFING: The PD/PI must work with the Payroll and Human Resource staff to hire and assign project staff and VP of Academic Affairs to adjust a faculty contract. A Personnel Action Form (PAF) is required for each person paid through grant funds. PAFs are found on the Human Resources HUB page, under the "Supervisor" tab. A PD/PI may not sign their own PAF. The PD/PI's PAF must be signed by their supervisor. The PD/PI is responsible for coordinating project staff activities to ensure that they are implemented effectively and timely and comply with grant guidelines and Mercyhurst policies. Also, the PD/PI must notify all grant-paid employees that the position is contingent on continued grant funding or only for the specified budget period. All employees charged to a federal or state grant project must complete Time and Effort Reports at the end of each academic and summer semester; the PD/PI must make sure that these forms are completed accurately and submitted on time (within 15 days of the period end). *See Appendix A for an example of the Time and Effort Report.*

CONSULTANTS: The PD/PI must work with HR to determine if an individual (not a corporation) who is hired has an employee relationship or consulting relationship with the University. To meet the definition of consulting, the IRS has very strict guidelines. HR staff can assist with any questions.

PURCHASES: All purchases must be made in accordance with the grant RFA, RFP, Solicitation, or other policies of the awarding agency, as well as Mercyhurst policies. When the grant rules are silent, the University rules will prevail. Requests for payment that have not followed the grant and Mercyhurst purchasing policies will be denied. Equipment purchases that exceed $25,000 must be approved by a University officer. Mercyhurst's policy is that single item purchases that exceed $25,000 are capitalized. For federal grants, current policy is individual item purchases over $5,000 are capitalized, and it is expected that this will increase to $10,000 for grants awarded after October 2024.

COORDINATION WITH OTHER DEPARTMENTS: Identify the appropriate deans, chairs, faculty, administrators, and staff who will need to be included in implementation of the program and meet with them at the beginning of the project to develop a program implementation plan, responsibilities of each, and timelines.

LEADERSHIP: Provide leadership for the project within the University and among community partners.

SUB-RECIPIENT MONTIORING: If the proposal includes a sub-recipient, the PD/PI is responsible for ensuring the sub-recipient meets all requirements for the proposal, funding agency, and sub-agreement.

MANAGING THE BUDGET

Please note: Some grants may cross more than one University fiscal year (FY). For example: A project with a term 10/1/23 – 9/30/24 would cross two FYs, FY2023-24 and FY2024-25. Since FY2023-24 encompasses 6/1/23-5/31/24, and FY2024-25 encompasses 6/1/24 – 5/31/25, four months of the grant (6/1/24 – 9/30/24) would carry on into the FY2024-25.

REVIEW BUDGET REPORTS: Each PD/PI should run the grant budget from Self-Service at least monthly to review the balance of funds in each account, review expenditures to identify incorrect charges or anticipated charges, to project costs to develop an expenditure plan, and ensure funds are available for upcoming expenditures. Questions about budget and expenses should be addressed to the GCO.

EXPENDITURE PLAN: Every grant includes a proposed budget that identifies the costs to implement the project activities. At the beginning of the project, the PD/PI needs to identify the forms and processes needed to implement the plan. All major purchases should be identified at the beginning of the grant, and appropriate written quotes or RFPs should be collected before any services/purchases are made. Often, the expenditure plan needs to be changed in response to variations during project implementation. Changes should be discussed with the GCO, who will determine if permission from the funder is needed to make the revision.

TRACKING OF APPROVED BUDGET VERSUS ACTUAL EXPENDITURES: The PD/PI must establish a method for tracking expenses for each grant budget period, noting the approved budget versus the actual expenditures made by grant reporting category. If assistance is needed, the PD/PI should contact the GCO.

EXPENDITURES: Every expense must be documented, and receipts and or/invoices retained. Vendor/Contract Service Payment and associated paperwork must be completed and submitted to the appropriate department. If the paperwork is not completed or completed incorrectly, the PD/PI is responsible for making the correction. The PD/PI is responsible for sign-off on all expenses, except when they will be reimbursing themselves, which will require that supervisor to

authorize. All payment requests and expense reports must be approved by the GCO before submission to Finance.

- **Purchasing Items and Services**: Purchase orders and Vendor/Contract Service Payment forms are found on the Finance page on the HUB, under the "Accounts Payable & Employee Reimbursement tab. All purchases exceeding $25,000 must be reviewed by the General Counsel and Finance offices.
- **Hiring Staff**: HR request form for temporary hourly positions. For faculty course load buy out (% of contract shifted to grant) or for additional work above and beyond contract, written approval from the Vice President of Academic Affairs is required. For exempt non-employees, the duties of the grant versus normal exempt duties will need to have written approval signed by the supervisor, HR, and Finance.
- **Payroll**: A Personnel Action Form (PAF) is required for each person paid through grant funds. Stipends requests are made via the PAF and completed by the PD/PI, signed by the PD/PI for anyone employee except the PD/PI, and authorized by area VP. A PAF for the PD/PI must be signed by their supervisor. PAFs are found on the Human Resources HUB page, under the "Supervisor" tab. Time sheets for hourly employees must be submitted bi-weekly. Salaried employees must complete Time and Effort reporting at the end of each semester.
- **Grant Partners**: Sub-agreements developed by GFR are reviewed by Finance and signed by all parties.
- **Student Aid:** Scholarships to students must be provided to Student Financial Services for processing.
- **Mileage:** Mileage for use of a personal vehicle is reimbursed at the current federal rate as established yearly by the IRS. The Mileage Log form is found on the Finance page on the HUB, under the "Accounts Payable & Employee Reimbursement tab.

SUB-RECIPIENT EXPENSES: If the proposal includes a sub-recipient, the PD/PI will coordinate the collection of sub-recipient invoices, review whether costs are allowable, and ensure costs are in approved budget categories, with the assistance of the GCO if needed. If the costs exceed the allowed budget or do not follow the guidelines list in the sub-agreement, the PD/PI will contact the sub-recipient to notify them of disallowance of payment, including corrections needed if applicable. If the PD/PI review of the sub-recipient's invoice occurs with no concerns, they will approve the payment and create a check request under Mercyhurst University's normal expense procedures.

BUDGETS: The PD/PI must spend within the approved budget categories and cannot overspend in any category. If there is an overage, it will be charged to the PD/PI's department. If the PD/PI determines that a budget modification is needed, a budget modification request must be sent to and approved by the funder. The GCO can assist with requesting a budget modification from the program officer. All correspondence with the funder should be done via email and forwarded to the GCO.

GRANT MATCH: Create a method to track any grant match and provide details to the GCO for review. Maintain copies of match documentation and ensure that it ties to all financial reporting.

AUDIT RECORDS: Maintain copies of all expenditures-related paperwork (hiring, purchase requisitions, check request forms, University vehicle charges, credit card statements, mileage reimbursement, timesheets, time-and-effort reports, written quotes/RFP, etc.) to determine accuracy and completeness. The PD/PI should contact the GCO immediately when there are discrepancies between their own records and those in Self-Service. All records must be kept for a minimum of six years after the grant ends to meet audit guidelines.

REPORTING

DUE DATES: Know the due dates of the project reports required by the funding agency. Coordinate with supervisor and GCO as needed and ensure appropriate lead time for on-time filing.

COMPLETION: The PD/PI is ultimately responsible for ensuring all grant reports and other grant/University compliance requirements are performed and submitted on time.

FINANCIAL REPORTS: Draft the financial reports and provide them to the GCO for review/approval at least 10 business days before the due date. GFR will give written approval for submission to the PD/PI who should then submit the report. When required and allowable, the PD/PI should request carryover of unspent funding to a subsequent budget period or an extension of the budget period time frame.

PROGRAMMTIC & FINAL REPORTS: Draft the programmatic/final reports and provide them to GFR for review/approval at least ten business days before the due date. GFR will give written approval for submission to the PD/PI who should then submit the report.

GRANT DOCUMENT SUBMISSION

GRANT MODIFICATION, AUGMENTATION, AND EXTENTION REQUESTS: GFR staff will assist the PD/PI in preparing grant revision or modification requests and coordinating appropriate internal reviews before submission to the funding agency. PD/PIs should forward notices of augmentations, reductions, or extensions to the GCO as soon as possible.

SUB-AGREEMENTS: Some grant projects include partnerships with other organizations that will be receiving part of the grant to implement a portion of the project. GFR staff develops sub-agreements, submits them for Finance review, obtains needed signatures after Finance approval, sends the signed agreements to the partners, and maintains the original fully executed agreement on file.

INSURANCE CERTIFICATIONS: Some funding agencies require insurance certifications or require additions to the University insurance policies. GFR staff will contact Finance staff to obtain the required forms and submit them to the funding agency.

FUNDING AGENCIES REQUESTS AND INQUIRIES: Copies of inquiries/requests and responses completed by the PD/PI should be submitted to the GCO to provide documentation should there be audits/site visits or a compliance review. GFR staff will assist PD/PI with responding to funding agency requests and inquiries as needed.

GRANTS MANAGEMENT SUPPORT

GRANT START-UP MEETING: GFR will facilitate a project start-up meeting to orient the PD/PI to their role in grant management, including a review of Mercyhurst and funding agency regulations and procedures, to ensure that all projects are implemented effectively and meet program and fiscal audit standards. Finance and appropriate project staff will be included in the meeting. Copies of the grant proposal, RFA/RFP, award terms and conditions, and the award notices will be provided to the meeting participants. Follow-up meetings will be held as needed to ensure everyone understands and will fulfill their role in successful implementation of the grant.

GRANT TERMS AND CONDITIONS: Provide the PD/PI and Finance staff with a copy of the grant proposal, RFA, and terms and conditions.

TRAINING ON GRANT DEVELOPMENT AND MANAGEMENT: Upon request, GFR will provide training workshops on introduction to grants, grant development, and grant management.

PROGRAM BUDGETING AND PLANNING: GFR will assist PD/PI with more complex, non-routine aspects of project implementation. GFR will work with PD/PI to review their programs and budgets, develop scenarios in response to changing conditions, and estimate salary and benefit costs to assist PD/PI with planning their project expenditures. They will advise the PD/PI on the processes and forms needed to implement their budget and program plans, as needed.

CREATE ACCOUNTS: Finance will create grant GL accounts once the grant award is received, the funding source is defined and the annual budget for each budget period is provided. The activity posted into the grant GL accounts are based on the University fiscal year of June 1 to May 31. Some grants may cross more than one Mercyhurst fiscal year.

FINANCIAL OVERSIGHT: As part of required grant financial oversight, the GCO will track each project's expenditures to identify over-expenditures in line-items and accounts, and under-expenditure of the overall budget. The GCO will contact the PD/PI and their Dean/Area VP when there are over-expenditures in an account or approved budget category. The GCO review does not supplant the PD/PI's responsibility to regularly check budget expenditures and balances to avoid over-expenditures and under-expenditures of their funds. PD/PIs are also responsible for identifying erroneous charges to their budgets, completing financial reporting, and meeting their grant compliance responsibilities.

FINANCIAL REPORTS: The GCO reviews the financial portion of reports required for each grant according to the schedule determined by the funding agency. Depending on funding agency requirements, the GCO may be required to submit the financial portions of reports to the funding agency directly on the funding agency's electronic system. If the GCO submits any financial reporting that the PD/PI or GFR do not have access to, copies will be provided for their records.

GRANT MATCH: The GCO will assist PD/PI and GFR in developing methods for tracking unconventional match for a project and maintain copies of match documentation.

TIME AND EFFORT REPORTS: For federal and state grants the PD/PI is required to collect and submit to the GCO time-and-effort reports to document the amount of time salaried staff worked on a grant project. The GCO will review these charges to the actual payroll expenditures made and if the effort is less than what is charged in the employee's salary, note adjustments needed to the amount of payroll/fringe expenses charged on the grant. The GCO will work with HR and Finance to implement the changes. ***NOTE: Time and Effort Reports are a crucial element in compliance; salaried federal or state grant employees MUST complete and submit these twice a year. See Appendix A for example of a Time and Effort Report.***

FINANCIAL FORMS AND DOCUMENTS: GFR will maintain the original financial forms submitted for grant projects. Mercyhurst is reimbursed by a funding agency through properly executed and documented expenditures. Therefore, it is necessary to keep records to document all expenditures and to post all expenditures to the correct accounts in the budget to accurately prepare interim and final financial reports. In addition, it is essential that all grant funds be spent by the end of the grant term. Finance and HR maintain original documentation regarding financial and personnel matters. ***NOTE: PD/PIs are also required to keep copies of these records. The project director should contact the GCO immediately when there are discrepancies between the director's own records and those that appear in a budget report.***

COMPLIANCE

ADVISEMENT: GFR staff will advise PD/PI and Finance on issues related to compliance with grant terms and regulations.

REVIEW AND SIGN-OFF: GFR staff review completed forms (e.g., status change forms and budget change forms) related to grant expenditures for compliance with the grant proposal, terms and regulations, and University policies. In addition, GFR reviews all programmatic and financial reporting before submission to the funder, as well as PAFs, expense reports, and check requests before they are routed to Finance.

SITE VISITS AND AUDITS

DOCUMENTATION: GFR maintains grant project files with the following documents to meet audit standards: grant proposal, RFA/RFP/Solicitation, grant award notice, programmatic and financial reports, and significant communications from the funding agency.

RESPONSE TO AUDITOR INQUIRES: GFR staff will assist Finance staff and PD/PI with responses to auditor inquiries.

PREPARATION FOR SITE VISTIS: GFR staff will assist with compiling information for site visits, as needed. Most often the information requested relates to expenditures or program activities, and PD/PI, GCO, and Finance are the main sources of that information.

REPRESENTATION AT SITE VISITS AND AUDIT MEETINGS: GFR staff will be available to attend site visit and audit meetings, at the request of the PD/PI or Finance staff, to assist with representing the project and answering questions related to compliance.

APPENDIX A

TIME AND EFFORT REPORTING POLICY AND PROCEDURE

Mercyhurst University is required to document effort spent on externally sponsored activity per the Office of Management and Budget (OMB) Circular A-21, Section J.10.a. This time and effort reporting policy is intended to meet this requirement. The system is an "After-the-Fact Activity" system under which the distribution of salaries and wages by Mercyhurst University will be supported by activity reports as described below:

A. The Time and Effort Reporting Form will reasonably reflect the percentage of time spent on a state- or federal-funded grant by Mercyhurst University employees.

B. For each reporting period that a Mercyhurst employee is involved with an active federal or state-funded grant, Time and Effort Reporting Forms must be completed. *All* time spent on federal, state, or University activities should be listed on the Time and Effort Reporting Form. The employee's time on a project is to be reported regardless of whether such time is paid by external funds or is an unpaid contribution, i.e., an "in-kind" match. Even if no time is spent on the grant, time must be reported as long as the grant is active. If no time was spent on the grant, the employee should note 0% on the form next to the federal or state funded project. Below is a guide on how to calculate effort. It's not going to be 100% accurate for every individual -- the goal is to **be reasonable and consistent**.

Percentage of a Full Year
It starts with determining how many effort hours constitute a full year (typically 151.67 hours per month for 35-hour per week employee or 173.33 per month for a 40-hour per week employee). From there, determine how much time the employee is spending on each individual grant and then express that as a percentage of their total effort. For example, if an employee reports 400 hours of effort on an NSF grant, then that would be 22% effort for the full year (400 hours divided by 1,820 hours).

Percentage of Summer Salary (June-August)
The other way to calculate effort is to draw a distinction between the Academic Year Support and Summer Support (which is the approach used by the National Science Foundation). If your faculty member has no funded effort during the academic year, then those nine months are at 0% effort. The three months of summer might be defined as 455 hours (one quarter of the 1,820-hour total for an entire year). If the faculty member put in 300 hours in the summer working on a funded project, then the effort during the summer would be (300 hours/455 hours) = 70%.

C. Time and Effort Reporting Forms do not need to be completed for hourly employees who utilize weekly time sheets because the effort is documented through the timesheet submission.

D. Time and Effort Reporting Forms must be approved by a supervisor who has firsthand knowledge of the employee's activities.
    1. If a form documents the PD/PI's time and effort, the form will be approved by the immediate supervisor (Department Chair for faculty).
    2. If a form documents an employee's effort and they are **not** the PD/PI, the form will be approved by the PD/PI.
    3. An employee may *not* approve their own Time and Effort Report.

E. Time and Effort Reporting Forms will be completed at the end of each academic semester and summer reporting periods and will document the percentage distribution of effort expended during the semester or summer.

F. The PD/PI is responsible for ensuring that the Time and Effort Reporting Forms are returned to the Leigh Ann Newman, Faculty Research and Grants Compliance Officer, by 6/15 for the Spring Semester, 9/15 for the summer, and 12/15 for the Fall Semester. Time and Effort Reporting Forms are available on the GFR website and in Appendix B.

APPENDIX B

MERCYHURST UNIVERSITY

Time and Effort Reporting Form

In order to comply with federal guidelines, this form must be completed and returned to the Faculty Research and Grants Compliance Officer at the end of each semester and summer by exempt employees (salaried) working on a federal or state funded project. Non-exempt (hourly) employees do not need to complete this form as they acknowledge effort through bi-weekly timesheets.

Name:_____ Department:_____

Report Period: Academic Year (Sept 1- May 31) 20_____ Summer (June 1- Aug 31) 20_____

Provide a breakdown of your effort by %. Account # below is used to identify specific grants being reported.

Percent of effort:

University Activities (not federal or state activities)   _____and/or

State Grant_____Account #_____ _____and/or

State Grant_____Account #_____. _____and/or

State Grant_____Account #_____. _____and/or

Fed Grant_____Account #_____. _____and/or

Fed Grant_____Account #_____. _____and/or

Fed Grant_____Account #_____ _____and/or

TOTAL PERCENT OF EFFORT (must equal 100%)   _____

Please send the completed form to Leigh Ann Newman, Faculty Research and Grants Compliance Officer, by 6/15 for the Spring Semester, 9/15 for the Summer, and 12/15 for the Fall Semester.

I certify that the information provided is correct.

_____ _____

Employee Signature   Date

_____ _____

Confirming Signature*   Date

*NOTE: If the employee named above is also the Principal Investigator, please ask Principal Investigator's supervisor to sign as confirming signature. The Principal Investigator should sign for all other salaried employees working on the federal or state funded project.