

SECTION 17 - GRANTS

17.1 Introduction

This section provides the policies of the University of California, Hastings College of the Law for the solicitation, acceptance or execution, and administration of awards from external sponsors for the conduct of research, scholarly and professional training, and public service.

The policies and procedures adopted by the Board of Directors governing the financial management of the College's funds are fully applicable to activities, programs and projects funded by external sponsors. The grant of authority to expend funds bears with it the responsibility attendant to prudent financial management, the sponsor's requirements, as well as the College's policies and procedures. Any unauthorized deviations from an approved award budget or award terms and conditions may subject the College to sanctions including the risk of adverse audit findings.

17.2 Scope

The Manual recognizes that contract and grant administration must consider both internal functions of the College and external sponsor requirements. Therefore, this section will focus on those policy requirements related to the grant administration function developed by the College. Sponsor requirements are equally binding.

This section provides primary policy treatment only on subjects not covered in other sections of the *Financial Operations Policy and Procedures Manual*. Where needed, references to and summaries of policies included in other sections of the *Financial Operations Policy and Procedures Manual* are provided. The Grant Section is intended to provide the administrative requirements applicable to all grants.

17.3 Applicability

These policies and procedures apply to all College organizations and components within the jurisdiction of the Board of Directors of the University of California, Hastings College of the Law.

17.4 Summary of Standards for Financial Management

The following summarizes the basic standards that must be met to ensure that grant funds are properly managed:

- A. Funds must be expended consistent with:
 1. The purpose for which the award is made;
 2. The terms of the budget as approved by the sponsor;
 3. Any applicable sponsor requirements;

4. Any applicable Federal-wide requirements for Federal awards;
5. College policies and procedures.

B. Fiscal transactions must be completed in conformance with internal control standards and supporting documentation requirements.

C. Fiscal records and reports must be prepared and submitted in a timely, accurate, and complete manner.

17.5 Responsibilities of the Principal Investigator

The Principal Investigator is the primary person responsible for the administration, financial management and the control of project funds in accordance with College and the granting agency's policies and procedures. Various parties in the College's administration also have functional responsibility for the management and control responsibilities listed in the Summary of Financial Management Duties. It is the Principal Investigator who is primarily responsible for ensuring that the financial management duties listed below are fully coordinated with all appropriate departments such that all College policies and procedures are fulfilled.

A. Time and Effort Certification – For federally sponsored projects, the College is required to comply with the federal effort certification requirements as outlined in OMB Circular A-21¹, Cost Principles for Educational Institutions. A certification report is required for all personnel paid directly from a project funded by federal sources.

The College maintains an “after-the-fact” confirmation to substantiate salary costs directly charged to federally funded projects.

The “Hastings Effort Certification Report” (Exhibit AB) is used to comply with the effort certification requirements. The Payroll Office will issue the certification report to the PI within 30-days of the respective pay-period the employee(s) worked.

As a responsible person with suitable means of verification that the work was performed, the PI is required to certify the report within 30-days of issuance. The PI may also certify his/her own report if a portion of their salary is being charged to the federal grant.

Failure to certify an effort report may result in the charges being disallowed by the Federal agency funding the research.

The PI should retain the originally signed report for 5 years subject to the grant requirements. A copy of the completed report should be forwarded to the Office of Fiscal Services.

¹ Circular A-21 (Revised 05/10/04); specifically, Section J, 10, General provisions for selected items of cost; Compensation for personal services”, found at <http://www.whitehouse.gov/omb/circulars/a021/a021.html>.

17.6 Summary of Financial Management Duties

The general financial management and administrative duties in administration of grant awards include:

- A. In close consultation with the Principal Investigator, pre-submittal review by the CFO of the proposed budget according to College and grantor requirements;
- B. Pre-submittal certification by the CFO of current cost and pricing data when required by grantor;
- C. Review and acceptance of the agreement by the General Counsel;
- D. Acceptance of the grant and establishment of the fund by the Dean;
- E. Incorporation of the approved award budget into the College's financial system;
- F. Expenditure of funds consistent with the agreement, sponsor, and College policies;
- G. Procurement of equipment and supplies and execution of subcontracts in accordance with grantor and College policies;
- H. Recording of expenditures in the appropriate account in the fiscal year the expenditure occurs to enable accurate, current, and complete disclosure of financial results;
- I. Preparation and submission in a timely manner of all required interim and final fiscal reports, including cost sharing, if any;
- J. Preparation and submission in a timely manner of all required technical reports or other deliverables when required for payment;
- K. Avoidance of cost overruns and unallowable cost transfers;
- L. Identification of the need for revised budgets and/or need for additional funds when necessary;
- M. Negotiation of revised and/or increased budget in order to secure full cost recovery;
- N. Timely invoicing and monitoring for prompt payment;
- O. Prompt completion of project closeout; and
- P. When warranted submission of requests for waiver or exceptions to established College policies.

17.7 Responsibilities of the Office of Fiscal Services

The Office of Fiscal Services is responsible for:

A. Monitoring all financial and budgetary transactions to ensure compliance with College policies and procedures, with provisions of governing laws and related statutory regulations, with the terms and conditions prescribed by external funding sources, and with generally accepted accounting principles. This includes administering all funds to ensure that expenditures are kept within amounts appropriated and that estimates of revenue and expenditures are adjusted as required.

B. Preparing and distributing monthly budget and other reports to the Principal Investigator, including preparing claims against funding agencies for reimbursement of expenditures incurred.

1. National Science Foundation Grants – The Office of Fiscal Services is responsible for completing and submitting the quarterly FastLane Federal Cash Transaction Report (FCTR).

Before the FCTR report is sent, Fiscal Services ensures the “Effort Certification Report” (Exhibit AB) has been signed by the Principle Investigator (PI).

C. Maintaining the College sections of the General Ledger, the official book of accounts, and other required College accounting records. This includes assigning account numbers, processing budgetary and financial entries to properly reflect the transactions of funds, ensuring that subsidiary ledger records maintained are reconciled to control accounts, and closing the General Ledger at fiscal year end.

17.8 Responsibilities of Human Resources

Human Resources is responsible for verifying the availability of sufficient grant funds specifically designated for staffing costs prior to the hiring of any grant funded staff.

HR is also responsible for ensuring that salaries and wages charged to sponsored agreements are made in accordance with College procedures. Holiday pay, sick leave pay, and other paid absences are included in salaries and wage charges to sponsored projects. Projected merit and cost of living increases should also be included in proposal budgets. Vacation pay is also charged to sponsored projects

HR will ensure that under no circumstance the rate of salary and wage charges to a sponsored project exceed the employee's regular rate of pay