



Introduction

The Office of Contracts and Grants is part of the Comptroller's Office, Financial Affairs Division and reports directly to the AVCFA/Comptroller. It is responsible to the University and to the funding agencies for the financial and regulatory administration of all contracts and grants awarded to North Carolina Central University. This responsibility includes, but is not limited to:

- **Establishing policies and procedures consistent with federal and state regulations**
- **Determining the propriety and reasonableness of costs.**
- **Exercising budgetary control of contracts and grants**
- **Preparing and submitting interim and final financial reports**
- **Preparing periodic invoices and requests for funds**
- **Maintaining an effective and auditable effort reporting system**

It is the responsibility of each School or Department to perform the necessary pre-audit functions to ensure that faculty and staffs are in compliance with grant terms and conditions, State Regulations, and Federal Regulations. Upon the approval of Banner fund establishment form, Vice Chancellors and Deans accept full responsibility for any deficits and audit disallowances associated with the operation of the accounts.

Guidance for the administration of Federal Awards is provided from several sources. The primary sources are:

- **Office of Management and Budget Circular A-21**
- **Office of Management and Budget Circular 2 CFR Part 215**
- **Education Department General Administration Regulations (EDGAR)**
- **Individual regulations from various awarding agencies**
- **University of North Carolina General Administration**
- **North Carolina State Budget Manual**
- **North Carolina Central Universities Policies and Procedures**



General Policies, Rules, and Regulations

Policy: General Policies, Rules, and Regulations to ensure that faculty and staff are in compliance with grant terms and conditions.

Scope: Applies to all grant funded projects.

Procedures:

1. Awards

Awards to the University may be accepted only by the Chancellor or those whom signature authority has been designated. Currently, the Provost/Vice Chancellor for Academic Affairs or the Vice Chancellor for Financial Affairs accepts contracts and awards for the University. Upon receipt and acceptance of a formal notice of award from the granting agency, the Office of Sponsored Research will establish the Notification of Award and forward it to the Grants Office. The Office of Contracts and Grants will prepare a Banner fund establishment form requiring the signature of the Principal Investigator, area Dean or Vice Chancellor. Once the Banner form is approved, a fund is established and the budgetary data is entered into the accounting system. The detailed budgets will be inputted based on what was approved by the funding agency and will coincide with the University's accounting structure. Principal Investigators have the primary responsibility for managing the sponsored project in accordance with award terms and conditions within budgetary allocations.

2. Principal Investigator Approval

The Principal Investigator of the grant is responsible for fulfilling the objectives of the grant and spending grant funds appropriately. It is the official policy of the University as well as grant funding agencies that the Principal Investigator must approve all expenditures. This approval is indicated by wet signature on all documents. In the event of an emergency or when the PI is not available to sign, the PI may assign another person signature authority. This signature authority must be in writing and signed by the PI. It is recommended that signature authority be established immediately and placed on file in the Grants Office.

3. Allowable Costs and Expenditure Regulations

Cost is allowable for a particular cost objective (i.e. a specific function, project, sponsored agreement, or department) if the goods or services involved are chargeable or assignable to the project. To meet federal standards for allow ability, a cost charged to an award must be allocable, necessary and reasonable, and treated consistently as direct or indirect cost. A cost is allocable to a sponsored agreement if:

- It is incurred solely to advance the work under the sponsored agreement.
- It benefits both the sponsored agreement and the work of the institution in proportions that can be approximated through the use of reasonable methods.
- It is necessary to the overall operation of the institution although a direct relationship to a particular cost objective cannot be shown.

- When the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.
- Expenditures must also follow grant and state regulations. While grant funding offers some spending flexibility, expenditures must be according to grant and state regulations. The office of Contracts and Grants is responsible for verifying that all expenditure requests relate to the guidelines of the grantor. Therefore, documents received in Human Resources, Payroll, Purchasing, Accounting, and any other subsequent office must have Contracts and Grants approval prior to processing.
- If documentation is submitted with details showing how the expenditure is directly related to the specific objectives funded in the grant, the Grants office can easily identify and approve the expenditure document expeditiously. When expenditures vary from specific objectives stated in the funded grant, it is suggested that the budget category is identified on the source document to provide the Grant office with clarity about how the expenditure relates to the grant goals.

4. **Employment of Related Persons (Anti-Nepotism Policy)**

- WHEREAS, decisions concerning the employment, evaluation, promotion and compensation of academic personnel should be based in every instance on considerations of individual merit, and
- WHEREAS, favoritism based on family or personal relationships between employees derogates from the merit principle of employment, and
- WHEREAS, the risk of occurrence of such favoritism can be avoided most effectively by the advance establishment of general restrictions against the creation of situations where such favoritism could be operative; and
- WHEREAS, a common policy concerning the employment of related persons, applicable to personnel practices at all constituent institutions of the University of North Carolina, is desirable.

A. Basic Principles:

Consistent with the principle that University employees and prospective employees shall be evaluated on the basis of individual merit, without reference to considerations of race, sex, religion or national origin, or any other factors not involving personal professional qualifications and performance, the following restrictions, designed to avoid the possibility of favoritism based on family or personal relationship, shall be observed with respect to institutional personnel.



1. Related persons shall not serve concurrently within the institution in any case where one such related person would occupy a position having responsibility for the direct supervision of the other related person.
2. With respect to proposed employment decisions which would result in the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of employment), a person related to an incumbent employee may not be employed if the professional qualifications of other candidates for the available position are demonstrably superior to those of the related person.
3. With respect to the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of employment), neither related person shall be permitted, either individually or as a member of a faculty or as a member of a committee of a faculty, to participate in the evaluation of the other related person.

B. Definition of "Related Persons"

The following relationships are sufficiently immediate to invoke the prohibitions against concurrent service of related persons:

1. Parent and child
2. Brothers and sisters
3. Grandparent and grandchild
4. Aunt and/or uncle and niece and/or nephew
5. First cousins
6. Stepparent and stepchild
7. Stepbrothers and stepsisters
8. Husband and wife
9. Parents-in-law and children-in-law
10. Brothers-in-law and sisters-in-law
11. Guardian and ward
12. Persons engaged in amorous relationships; an amorous relationship exists when, without the benefit of marriage, two persons voluntarily have a sexual union or are



engaged in a romantic courtship (e.g., dating or engaged to be married) that may or may not have been consummated sexually.

Checking your Budget

Policy: Always check your budget to ensure funds are available and the expense is allowable BEFORE initiating any transactions on your grant. The Office of Contracts and Grants verifies ALL expenditures and approves only those that fall within the guidelines of the grant budget.

Scope: Applies to all grant expenditures.

Procedures:

There are three ways to review a grant budget, activities, commitments and available balance. Use Banner forms FRIGITD, FGIBDST and FGIBAVL.

1. FRIGITD which is the Grant Inception to Date Form enables you to view account type information, including adjusted budgets, inception-to-date actual activity, encumbrance, and available balance amounts.
2. FGIBDST which is the Organization Budget Status form provides on-line query of all activity for a given Fund, Org, Program and Activity by fiscal year.
3. FGIBAVL which is the Budget Available Balance Form provides by account the adjusted budgets, year to date activity, commitment and available balance by fiscal year.

Requisitions/Purchase Orders

Policy: The purchase of goods and/or services must be an allowable cost and funds must be available to cover the requisition. Budget over-rides are not allowed on the grant.

Scope: Applies to all requisitions funded from a grant.

Procedures:

1. Check your budget and make sure to use the correct fund, organization, account, and program (FOAP).
2. Complete online requisitions prior to all purchases and services.



3. All requisitions must be approved by the appropriate personnel.

Travel Requests

Policy: Travel Requests must be submitted to the Travel Office 14 working days in advance of travel.

Scope: Applies to all state and non-state employees.

Procedures:

1. Prepare Travel Request form, which needs to be complete with Banner FOAP and all required signatures (i.e. travelers, Principal Investigator, Title III).
2. Prepare 3 Copies and **submit to Travel Office.**
3. Travel Office will route the travel request to Contracts and Grants for approval.
4. All Travel forms submitted without following proper procedures, or insufficient funding, will be returned **unprocessed** to the respective departments.

Check Requests

Policy: Check Requests are **only** used for those items that do not require a Purchase Order. (i.e, membership dues, subscriptions, service fees, incentives, and vendors that do not accept purchase orders)

Scope: All grant funded projects.

Procedures:

1. Check Request must be submitted prior to the event or services rendered.
2. Supporting documentation must be attached to the check request.
3. Documentation must be provided by the vendor if they do not accept NCCU purchase orders.
4. Ensure that the fund, org, account, and program (FOAP) are correct on the check request.
5. Obtain all appropriate signatures and submit original form to Contracts and Grants.



6. All Check Request forms submitted without following proper procedures, or lack sufficient funding, will be returned **unprocessed** to the respective departments.

Check Request for Tuition and Fees / Scholarships

Policy: Check Request for Tuition and Fees/ Scholarships must be submitted prior to the start of the semester. All students must be admitted and enrolled in classes before submission of Check Requests to pay Tuition/Fees and Scholarships.

Scope: All tuition/fees and Scholarships paid from a grant.

Procedures:

1. All fields on the Check Request form must be completed. Please provide a **COMPLETE** description indicating which semester is being paid.
2. Ensure that the fund, org, account, and program (FOAP) are correct on the check request form.
3. Determine Residence Status (if applicable) and attach copy of Green Card.
4. Obtain all appropriate signatures and submit original form to Contracts and Grants.
5. All Tuition and Fees/Scholarships forms submitted without following proper procedures, or lack sufficient funding, will be returned **unprocessed** to the respective departments

Check Requests for Stipends

Policy: Check requests for Stipends must be submitted prior to the end of every month (30th or 31st) in order to be paid by the 15th of the following month. Work related stipends must be submitted by the 23rd of the month in order to be paid in the following month.

Scope: All stipends paid from a grant.

Procedures:

1. All students must complete a W-4 form and I-9 form for work related stipends to ensure the accuracy of tax withholdings.
2. Provide a **complete** description. Include the time period of services and indicate whether the stipend is a Work stipend (work performed) or a Participation stipend (participating in the program).
3. Determine Residence Status if applicable and attach copy of Green Card.
4. Ensure that the fund, org, account, and program (FOAP) are correct on the stipend.



5. Obtain all appropriate signatures and submit original form to Contracts and Grants
6. All Stipend forms submitted without following proper procedures, or lack sufficient funding, will be returned **unprocessed** to the respective departments.
7. Students must complete a direct deposit form to receive their funds or check will be mailed.

EPA Employment

Policy: Employees must be authorized by EPA and Contracts and Grants prior to working. Each employee should have a formal offer, completed and signed contract in Academic Affairs first before starting to work. No AFTER-THE –FACT contracts will be accepted unless approved with valet justification.

Scope: Applies to all state and non-state employees

Procedures:

1. Check your budget to ensure grants funds are available.
2. Make sure the position is allowed and funded in the grant budget.
3. Payroll expenditures are not encumbered in Banner. Therefore, it is recommended that each department create an Excel spreadsheet as a tracking mechanism. Implementing this recommendation will ensure that the department have an accurate cumulative total of all payroll expenditures for each grant.
4. Complete E-recommend online and ensure that the fund, org, account, and program (FOAP) are correct and submit to Employment Personnel Administration (EPA).
5. Other employment forms, such as change of sources, graduate assistants, and one-time payment, must also be submitted to EPA for processing.
6. All overload/one time payments paid from a grant must be approved by the agency in writing. Charges for work performed on grants by faculty members representing extra compensation above the base salary are allowable provided that such arrangements are specifically provided for in the agreement, or approved in writing by the sponsoring agency.
7. Allow 2-3 working days for processing EPA contract, Change of Sources, and Graduate Assistant Contracts.
8. All EPA, Change of Sources, and Graduate Assistants contracts submitted without following proper procedures, or lack sufficient funding, will be returned **unprocessed** to EPA.
9. EPA personnel are paid on the 15th of the month or the end of the month. Payroll is distributed by direct deposit or checks are mailed from the Office of State Comptroller on payday to the



address on file. The Office of the State Controller is requiring all employees to have direct deposit.

SPA (Form 6)/ Temp Employment (Form 6T)

Policy: Employees must be authorized by Human Resources and Contracts and Grants prior to starting work. Each employee should have a formal offer of employment or an approved SPA Temp Form 6T from Human Resources. Absolutely, no AFTER-THE-FACT employment forms will be accepted unless approved with valet justification.

Scope: Applies to all state and non-state employees.

Procedures:

1. Check your budget to ensure grant funds are available.
2. Make sure the position is allowed and funded in the grant budget.
3. Complete a Form 6 for permanent employment or a Form 6T for temporary employment
4. Ensure that the fund, org, account, and program (FOAP) are correct on the employment forms.
5. Acquire Principle Investigator, Dean, and Title III signature (if applicable) and submit the original form to Contracts and Grants.
6. Contracts and Grants approval is based on the availability of funds, whether the cost is allowable and having the appropriate signatures. Once approved, the forms are sent to Human Resources.
7. Payroll expenditures are not encumbered in Banner. Therefore, it is recommended that each department create an Excel spreadsheet as a tracking mechanism. Implementing this recommendation will ensure that the department have an accurate cumulative total of all payroll expenditures for each grant.
8. All SPA forms submitted without following proper procedures, or lack sufficient funding, will be returned **unprocessed** to the respective departments.
9. SPA personnel are paid on the 15th of the month or the end of the month. Payroll is distributed by direct deposit or checks are mailed from the Office of State Comptroller on payday to the address on file. The Office of the State Controller is requiring all employees to have direct deposit.
10. Temporary personnel are paid every two weeks. Payroll is distributed by direct deposit or checks are mailed from the Office of State Comptroller on payday to the address on file. The Office of the State Controller is requiring all employees to have direct deposit.



Student Work-Aid Authorization/Timesheets

Policy: Work aid is reserved for NCCU students currently enrolled in classes at the University. Work-Aid authorization forms must be completed and submitted to Contracts and Grants BEFORE student begins work. Work Aid is paid every two weeks. Student must enter their time in Banner every two weeks according to the designated time periods. Student employment is subject to the Anti-Nepotism Policy.

Scope: Applies to all students being paid Work Aid.

Procedures:

1. Check grant budget to ensure grant funds are available.
2. Obtain all appropriate signatures and submit original Work Aid Authorization form to Contracts and Grants.
3. All fields on the Work Aid form must be completed. The student's name, account number, SS#, and rate of pay, is required on the authorizations.
4. Student must complete a W-4 form and I-9 form to ensure the accuracy of tax withholdings.
5. Students enter their time worked into Banner time entry website according to the timeline established by HR.
6. Work Aid expenditures are not encumbered in Banner. Therefore, it is recommended that each department create an Excel spreadsheet as a tracking mechanism. Implementing this recommendation will ensure that the department have an accurate cumulative total of all work aid expenditures for each grant.
7. Work-Aid payroll is distributed by direct deposit. If not on direct deposit, checks are mailed from the Office of State Comptroller on payday to the address on file. The Office of the State Controller is requiring all employees to have direct deposit.

Time and Effort forms

Policy: Monthly submissions of T&E are required for all EPA and SPA salary based employees, and Graduate Assistants being paid from a grant. Time and effort reports (T&E) are a federally required certification showing the percentage of effort worked on the grant. Accounts that are in non-compliance with this requirement will be placed in a freeze status (i.e., expenditure requests and budget transfers will not be processed).

Scope: Applies to all EPA and SPA employees being paid from a grant.

Procedures:



1. Complete T&E form per semester for each employee being paid from the grant.
2. The percent of effort worked on the grant should coincide with how the employee is paid from the grant. (I.e. If the employee is paid 50% from a grant source and 50% from the State, then their T&E reports should reflect 50% of effort from each source).
3. Obtain the appropriate signatures and submit original form to the Office of Contracts and Grants. All Title III T & E reports should be sent to the Title III office for approval then forwarded to the Contracts and Grants Office.

Budget Transfers

Policy: Budget transfers must be approved and allowable. Principal Investigators must seek agency approval if the award document does not make any reference to whether modifications are allowed. Budget transfers and revisions are modifications made to the original budget of a project. Budget modifications are prepared when the needed changes are necessary to carry out the overall function of the grant. Usually, budget transfers are done to place more money in a line item and sometimes to establish a line item that does not exist. Careful consideration is needed when moving money around. This activity must be approved by the granting agency. The vast majority of agencies do not mind transferring small amounts of money (10% or less) between line items; while other agencies may absolutely restrict any and all re-budgeting. Therefore, the general rule is to check the award letter to ensure that budget transfers or revisions are allowed. If the award does not state whether or not re-budgeting is allowed, then the default policy is to seek agency approval.

Scope: Applies to all modifications made to the original grant budget.

Procedures:

1. Refer back to the original grant award to determine if the budget transfer is allowable. If the transfer requires prior approval from the agency, the Principal Investigator of the grant must obtain the approval needed for the transfer.
2. Check form “FGIBAVL” in Banner to ensure funds are available to cover the transfer. Accounts are restricted from going into the negative and budget overrides are not allowed. Therefore, funds must be available to cover all budget transfers.
3. Verify that the transfers “to” and “from” account codes are correct. Refer to the appropriate Banner chart of accounts if necessary.
4. Review form for completeness, checking to see that all sections of the form are completed and all signatures are present.
5. Submit original budget transfer form along with the approval if applicable to the Office of Sponsored Research (OSRP). The OSRP will forward the form to Contracts and Grants for approval and input into the Banner system.



6. All budget transfers submitted without following proper procedures will be returned **unprocessed** to the respective department.

If you have any questions, please call or email us:

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