

Grant Administration FAQ's

My program officer notified me that I have been selected to receive an award, may I begin spending on the award before I receive the award letter from the granting agency?

Pre-award costs, 90 calendar days prior to the award or more than 90 calendar days, require prior approval of the Federal awarding agency. All pre-award costs are incurred at the institution's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs). Therefore, the Department Chair, Dean of Faculty, and Grants Accountant must approve pre-award costs in advance of contacting the granting agency for approval.

I have received a federal grant award, can I transfer costs from one budget line item to another?

Yes, in most cases. Some federal agencies may require prior approval of budget revision to certain budget categories or circumstances:

- The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
- Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award, may require prior approval. This does not apply to the purchase of supplies, material, equipment or general support services.
- The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10% of the total budget as last approved by the Federal awarding agency. (NSF does not restrict this type of transfer).

The best way to acquire assistance for a budget revision is to contact Heather Clark in the Business Affairs Office at ext. 78604 or by email at heather_clark@hmc.edu.

Can I transfer funds from my federal grant to another grant if the project is related?

No, you may not transfer funds from one grant to another. You may process a cost transfer request, moving the expense from one grant to another to correct an error. Please be aware that cost transfers are one of the highly tested transactions during an audit.

My grant is expiring soon, but the project will not be complete by this time. May I ask for an extension?

Most granting agencies allow a one year no-cost extension. You may authorize a one-time extension of the expiration date of the grant of up to 12 months if additional time beyond the established expiration date is required to assure adequate completion of the original scope of work within the funds already made available. You must notify the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for

the purpose of using the unliquidated balances. Grantees are not authorized to extend an award that contains a zero balance.

I need to purchase equipment under my federal grant, are there any inventory tracking requirements?

Yes, there are inventory tracking requirements if the equipment cost is \$5,000 or more. Equipment inventory records should include the date of purchase, amount of purchase (including sales tax, delivery charges and/or installation costs), physical location of equipment (building and room number), the model/serial number of the equipment, the account number(s), and a unique departmental ID tag number (this should also be attached to the equipment). All documentation of equipment purchases on the inventory log must be kept until the disposal of the equipment. Please contact the Business Affairs Office when disposing of College equipment (either capitalized or non-capitalized) for proper accounting. If disposal consists of selling the equipment, sales tax may apply.

I am booking an international flight that will be charged to my federal grant, are there any restrictions?

Yes, federal grant recipients are required to abide by the provisions of the Fly American Act. The Fly American Act requires that foreign air travel is performed on U.S. flag air carriers, unless specific circumstances qualify as an exception. If, these regulations are not met, the foreign travel will not be reimbursable by a federally funded grant/contract. For more information about the Fly American Act and qualifying exceptions, please visit the Grant Administration page on the Dean of Faculty website.

How can I monitor the expenses being charged to my grant?

Faculty members are given access to the online financial reporting tool called CUConnect. CUConnect allows users to view their budget in comparison to their expenses. Users can click on a particular expense and drill down to the document level to view supporting documentation of that expense. Grant questions regarding budget vs. actual or CUConnect questions can be directed to Heather Clark in the Business Affairs Office at ext. 78604 or by email at heather_clark@hmc.edu.

I've heard that in order to pay a vendor for goods or services with federal funds from a grant, the vendor must be verified to ensure that they are not debarred or suspended from receiving federal funds, is this true?

Yes, when purchasing goods or services using federal funds, the Principal Investigator must ensure that the vendor selected for providing goods or services for the grant is not suspended or debarred from receiving federally sourced funds and must provide proof of verification. Vendors can be verified by going to the Excluded Parties website: <https://www.epls.gov/>. Proof of verification consists of printing a screen shot of the web page when the search is performed before the order is place. The verification must be submitted with the vendor invoice when requesting payment for the vendor.