



## Accounting Department Federal Grant Financial Procedures

### I. Purpose

To provide additional guidance above and beyond the MCC Board policies for Financial Management.

Regulations and laws pertaining to programs funded by federal monies include requirements for allowable costs and reporting of expenditures. 2 CFR Chapter I, Chapter II, Part 200, et al.: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, states that allowable costs must be given consistent treatment through applications of generally accepted accounting principles appropriate to the circumstances.

The following procedures were put into place to ensure that all expenditures are allowable, charged to the appropriate cost categories, allocated based on actual time spent and actual program output, and traceable to source documents.

### II. Authorization

These Federal Grant Financial Procedures are authorized under Board Policy 3000 Fiscal Management.

### III. Responsibility

Responsibility for the management of Federal Grant funds is delegated to the Accounting Department, the Grant Manager, and other employees assigned to the operation of the grant.

#### **Accounting Office:**

The Accounting Office reviews proposal budgets and requirements, analyzing cost estimates and funding allocations and assumptions, and provides technical advice to the grant writer and department administering the grant. Upon receipt of the official notice of grant award and MCC Board of Trustees acceptance, the accounting office, along with the Grant Development office and grant manager, set up a grant budget that agrees with the amount of the award and supports the objectives stated in the program narrative.

Federal guidelines require that all projects are set up with distinct sets of accounts within our general ledger accounting system based on the approved budget. Upon receiving a signed award letter, a new cost center shall be created for the awarded grant. All financial activity, including all revenues and expenses, occurring within this grant shall be reported within this specified cost center. The degree of expense deviation from a grant budget is laid out by the granting agency. It could vary from complete discretion to requiring agency approval for all changes.

The accounting office is responsible to work with grant managers to ensure that financial reports are submitted in the frequency, format and amount of detail required by the granting agency. In addition, this office is responsible for interpreting and monitoring compliance with the financial administration requirements of various agencies. Official accounting records and related documents are maintained and retained in accordance with the College's records retention policy.

#### **Grant Managers (Various College Departments, Divisions and Offices):**

Monthly grant budget reports are sent to all grant managers and their administrators. Cost allocations are reviewed along with all grant revenue and expenditures on an ongoing basis and corrected with journal entries to the college's financial system as part of the month-end closeout process. Grant managers are responsible for grant compliance.