

COLLEGE of CHARLESTON

OFFICIAL PROCEDURE

Grant Accounting

3/23/18

Procedure Statement

The College of Charleston (“the College”) records its assets, liabilities, revenue, expenses, etc. in accordance with Generally Accepted Accounting Principles (GAAP) and pronouncements issued by the Governmental Accounting Standards Board (GASB). GAAP requires that all College operations be maintained on the *accrual basis* of accounting. This requires that expenses be recorded in the period that the goods and/or services are received and/or rendered. The College will adopt and incorporate sound financial practices related to the payment of expenditures for all departments and offices of the College of Charleston.

Procedure Manager and Responsible Department or Office

The Controller’s Office has the responsibility to ensure compliance with this procedure. The Controller’s Office is required to establish and maintain accounting systems to collect, record, and report on prepaid expenses. Departments that purchase goods or services in advance are responsible for maintaining adequate records showing dates of receipt and/or dates of service.

Procedure Manager and Responsible Department or Office

A. Controller's Office

The Controller's Office is responsible for ensuring that all documents; cash disbursements and receipts, appropriation transfers, intradepartmental transfers, journal entries, etc. are prepared and recorded accurately and timely for inclusion in the annual state-wide Annual Report.

B. Faculty and Staff

College of Charleston faculty and staff have the responsibility for ensuring that they adhere to the approved internal and external schedule of financial activities as prepared by the Controller's Office.

C. Vendors and Payees

College of Charleston vendors and payees must provide the Controller's Office with valid invoices that adequately describe the vendors or payees names, addresses, itemized descriptions of goods and services, terms for payment, etc., as well as properly completed Internal Revenue Service Forms W-9 or W-8 evidencing their business type (corporation, sole-proprietorship, partnership, etc.), domestic or foreign status, and tax identification numbers.

Departments/Offices Affected by the Procedure

This procedure affects all members (Faculty, Staff, and Students) of the College of Charleston.

Procedures

DEFINITIONS

Account Code – the third element of a FOAP accounting string used to identify specific financial transactions. Account codes define the type of activity (ex: salaries, supplies, travel).

Allocable Costs – goods or services that are chargeable or assignable to a particular project.

Allowable Costs – costs that are allocable to that project, reasonable, consistently treated like other similar costs, and allowable under the terms of general federal cost principles set forth in the Uniform Grants Guidance, the guidelines of the funding agency and the specific grant terms and conditions.

Award – funds provided from an external sponsor for support of a project. This term is used for both original awards and supplements.

CFDA # – a unique number assigned to federal agency programs in the Catalog of Federal Domestic Assistance.

CFR Titled 2, Part 200 (Uniform Guidance or UG) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Supersedes OMB Circulars A-21, A-110 and A-133 as of 12/26/14.

Closeout – the process by which the agency or pass-through entity determines that all applicable administrative actions and all required work of the award have been completed. This includes completing the reporting and financial requirements of a sponsored award (deliverables, technical reporting and financial reporting).

Cost-Reimbursement Grants and Contracts – the sponsor will reimburse the College for any actual, approved project costs, within whatever variances the funding agency allows.

Cost Transfer – an adjustment or transfer of expenditures to or from an externally funded project.

Cost Overrun – costs that are incurred for the project that are greater than what was authorized by the sponsor for reimbursement.

Cost Sharing – the portion of project costs not paid by the sponsor. Cost sharing may be mandatory or voluntary, depending on the terms of the award or contract.

Direct Costs – costs that can be identified specifically with a particular project, or can be assigned to the project relatively easily with a high degree of accuracy.

Encumbrance – a reservation of funds for a specific purpose within a fund. Encumbrances can be established for travel, personal service contracts, equipment, or other expenditures.

Federal Flow-through – a non-Federal entity that provides a Federal award to a subrecipient or subaward to carry out a Federal program.

FOAP – acronym for the accounting distribution code fields in the Banner Financial System. These fields are Fund/Organization/Account/Program.

Grant Ledger (FRIGITD) – grants and contracts may be in operation for multiple years. These funds are tracked on Banner grant ledger screens in the financial system, which are not limited to current fiscal year activity only.

Improper Payment – any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Also, any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received, any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Index – a code that combines the appropriate Fund, Org and Program codes.

Indirect Costs – costs incurred for common or joint objectives and cannot be identified readily and specifically with a particular sponsored project.

In-Kind Contribution – a non-cash contribution to a sponsored project or program provided by a party other than the primary sponsoring agency. In-kind contributions may be in the form of real property, equipment, supplies, or services directly benefiting and specifically designated for the project or program.

Matching – a type of cost sharing, wherein a contribution to a sponsored project or program is pledged to match some portion of funds provided by the primary sponsor.

Modified Total Direct Cost (MTDC) – all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Specific costs within MTDC are determined by the federally-negotiated indirect cost rate procedure.

Memorandum of Agreement (MOA) – an agreement sometimes used between public agencies or with private organizations.

No-Cost Extension – for most federal agencies, a one-time no-cost extension of time to complete a sponsored project may be requested. As a member of the Federal Demonstration Partnership, the College of Charleston can exercise one-time no-cost extensions without prior approval from many federal agencies.

Participant Support – direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Period of Performance – the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award.

Personally Identifiable Information (PII) – information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.

Prior Approval Requirements – a federal agency's requirement that certain changes relating to a sponsored project have to be pre-approved by the sponsoring agency.

Questioned Cost – a cost that is questioned by the auditor because of an audit finding. Questioned costs include those that are not supported by adequate documentation, that appear unreasonable and do not reflect the actions a prudent person would take in the circumstances, or those that resulted from a violation or possible violation of a state, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds.

Reasonable Costs – a prudent person would have purchased the same item at the same price.

Sponsor – the government agency or private entity that sponsors a project and provides funding or other resources toward project completion.

Subcontract/Subaward – an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of an award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal/State program.

Supplies – all tangible personal property that fall below the prescribed threshold for equipment.

Total Project Costs – direct costs plus indirect costs.

Unallowable Costs – expenses that may be permitted under College policy and may be entirely valid and appropriate for the project, but they cannot be claimed as direct or indirect costs on sponsored projects. Certain expenses are unallowable for reimbursement by the federal government or under the terms of a specific award or sponsor.

A. UNALLOWABLE COSTS

It is the policy of the College of Charleston to ensure that all costs proposed or incurred on a sponsored project comply with federal and state regulations and with the terms and conditions of the sponsoring agency in determining whether costs are allowable or unallowable. At no time should unallowable costs be charged to a sponsored project. Proper accounting for unallowable costs is required to maintain the integrity of the College's Facilities and Administrative (F&A) Cost Proposal and compliance with Federal regulations.

Uniform Guidance 2 CFR 200 establishes principles for determining costs applicable to grants, contracts and other agreements with Institutions of Higher Education (IHE). According to 2 CFR 200.403, costs must meet the following general criteria in order to be allowable under Federal awards:

1. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles;
2. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amounts of costs;
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity;
4. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost;
5. Be determined in accordance with generally accepted accounting principles (GAAP);
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or prior period; and
7. Be adequately documented.

Definitions

An "**allowable cost**" is an expense which can be charged against a sponsored project as well as placed in the indirect cost rate proposal based on the following factors. The cost is:

- Reasonable – A prudent person would have purchased the item and paid that price.
- Allocable – Expenses are at least partially applicable to a sponsored agreement.
- Consistently Treated – Expenses for similar purposes must be treated the same way (throughout the college) under like circumstances.

- Allowable – The expense must be allowable or not specifically excluded as specified by government regulations or by the contract/grant/cooperative agreement requirements.

A “**direct cost**” is an expense that can be identified specifically with a particular project, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

An “**indirect (F&A) cost**” is an expense that is incurred for common or joint purposes benefitting more than one cost objective, and not readily assignable to a specific project.

An “**unallowable cost**” is an expense that the federal government deems inappropriate and will not reimburse. These categories are identified by the Office of Management and Budget in 2 CFR 200 (Uniform Guidance) and it is the college’s responsibility to maintain an accounting system that clearly identifies and segregates unallowable cost categories so that they will be excluded from the college’s proposals for cost reimbursement.

Unallowable costs cannot be charged (directly or indirectly) to federally-funded sponsored projects and must be excluded from the college’s indirect cost rate proposal calculation. Listed below are unallowable costs that have been specifically identified in Uniform Guidance. However, this is not an exhaustive list and all expenses shall be subject to the same cost accounting principles governing cost allocability as allowable costs.

1. Advertising and Public Relations – Some types of advertising, such as recruitment of research participants, may be allowable;
2. Alcoholic Beverages, and alcohol related services (e.g. Bartender, etc.);
3. Bad Debt;
4. Charitable Contributions and Donations;
5. Commencement and Convocation;
6. Contingency Provision;
7. Entertainment;
8. Fines and Penalties;
9. Fund Raising;
10. Goods or Services for Personal Use;
11. Housing and Personal Living Expenses for Institutional Officers;
12. Lobbying;
13. Membership in any civic or community organization, country club, social or dining club;
14. Selling and Marketing;
15. Student Activity Costs, etc.

Questions regarding the allowability and treatment of costs charged to sponsored projects should be directed to the Controller's Office.

Responsibilities

It is the responsibility of each Principal Investigator (PI) to:

1. Review sponsored research project expenses on a regular and ongoing basis to ensure that all expenditures charged are correct and appropriate; and
2. Identify and transfer unallowable costs when they are incurred and recorded.

It is the responsibility of the Grants Accountant to:

1. Provide assistance/training in interpretation and implementation of these guidelines; and
2. Periodically review ledgers to verify that charges are allowable and make necessary changes.

Unallowable cost items charged to sponsored funds that are subsequently identified during a review or audit of the project must be removed by the PI/department as soon as possible. The PI/department is responsible for absorbing these cost(s).

B. BUDGET AND EXPENDITURE MONITORING

The College has established a system of controls to monitor sponsored projects on a regular basis and to promote compliance with federal regulations. The Principal Investigator (PI) has overall responsibility for the technical and fiscal management of a sponsored project. This includes the management of the project within funding limitations, adherence to reporting requirements, and assurance that the sponsor will be notified when significant conditions related to project status change. The Controller's Office will provide guidance and support on an ongoing basis, review and approve expenditures, and perform other monitoring functions.

The PI is responsible for charging direct costs to his/her sponsored project. To authorize the expenditure of funds to be charged directly to sponsored projects, the PI and originating department must assure that the:

- estimated charge is reasonable and necessary;
- expenditure is allowable by the funding source and, if charged to a federally funded project, by the Uniform Guidance;
- expenditure is allocable to the project, i.e., provides benefit to the project;
- expenditure is treated consistently - this means that all expenses for similar purposes must be treated the same way (throughout the College) under like circumstances;
- expenditure occurs within the project period;
- funds are available within the authorized award amount and funding limitations;

- justification for the expenditure is documented;
- method of allocation of costs is appropriate and documented;
- charge is coded with the correct index and account;
- salaries and wages charged are reasonable in relation to the work performed and to the individual's total payroll distribution; and
- payroll charge to each sponsored project account does not exceed the effort devoted to that project.

Expenditures for sponsored projects and cost sharing accounts must be reviewed by a knowledgeable individual, i.e., the PI or designee (typically the financial or research administrator) so that adjustments can be made in a timely manner, and that rates of expenditures can be monitored to assure availability of funds. The PI or designee will review, approve, and submit invoices and check requests for payment directly to the Controller's Office. The grant accountant will review expenses as a part of the monthly/ quarterly reimbursement process.

Any questionable charges must be brought promptly to the PI's attention, and, if needed, corrected by an appropriate cost transfer (see page 6 of this document). Transfers should be initiated as soon as possible after a need has been identified. Whenever expenses are moved to or between sponsored accounts, the PI must assure that the project that ultimately pays the expense is the project that benefited from that expense, and that there is adequate documentation to support the appropriateness of the transaction. **Adequate explanation and documentation for all project charges must be maintained for three years after the sponsor closes out the award.**

PI's are responsible for the ongoing fiscal management of awarded projects, including regular monitoring against project period budgets. Federal grants policy establishes the approved project budget as the financial expression of the project, and sponsors may evaluate the project against the budget at any time. Although some sponsors allow certain flexibilities with respect to re-budgeting, unobligated balances, and pre-award costs, the College of Charleston and sponsors expect expenditures to be reasonably consistent with the approved project and budget. Sponsors may question or restrict expenditures that appear inconsistent with the project plan and budget.

Cost Overruns

All sponsored projects must be managed within their established budgets. If, as a result of unusual circumstances or unanticipated project expenses, an account is in overdraft upon expiration of the term of the sponsored project, the PI must identify an appropriate source of funds (e.g. operating budget, Foundation) to cover the expense. The overdraft must be transferred to a different source of funds in sufficient time to permit the College of Charleston to comply with the financial reporting requirements of the original award (See Project Closeout, below).

The department must identify the source of funds to the Controller's Office. The Grants Accountant will then initiate the necessary expense transfer, including documentation of the nature of the expense and reasons for the transfer. Such transfers must occur in sufficient time to permit the College of Charleston to comply with the financial reporting requirements of Project Closeout.

No Cost Time Extensions

If additional time is needed to complete a project and there is an unexpended balance in the award, PIs may request that the period of performance of an award be extended. In some cases, College of Charleston officials are authorized to approve no cost time extensions; in other cases, agency prior approval is required. Requests for extensions should be submitted by an authorized official in ORGA and processed in accordance with the terms of the sponsored award; in some cases, the countersignature of an authorized institutional officer is required to accept the extension. Requests for a no cost extension should be submitted no later than the end date of the award (unless an earlier date is required by the agency.) Award closeouts cannot be delayed to accommodate pending requests submitted after the award end date.

C. COST TRANSFERS

Cost transfers occur when an expenditure is moved from one fund/ account to another. The sponsored award may be the one receiving the charge or the one from which the charge is being removed. Cost transfers may be necessary to correct errors in original charges or to transfer costs that benefit more than one project. All cost transfers must be properly documented, processed within a reasonable period of time, and include appropriate approvals. The cost being transferred must be allowable and have been incurred within the award performance period. See the College's **Cost Transfer Request Form** at:

<http://controller.cofc.edu/grants-and-contracts/index.php>

D. PROCUREMENT

All purchases and disbursements related to sponsored funds are made in accordance with existing College purchasing guidelines and policies, disbursement policies and guidelines, specific terms and conditions, the sponsor's policies, and if Federally funded, OMB Circulars, A-21, A-110, and A-133. The College has elected to delay the implementation of the new procurement requirements under 2 CFR 200 to July 1, 2018. Please refer to **Procurement and Supply Services** for current policies and procedures at:

<http://procurement.cofc.edu/>

E. TRAVEL

Travel is allowable as a direct cost when such travel will provide direct benefit to the award. If federally funded, sponsored projects are subject to certain federal laws and the guidelines set forth in the OMB Uniform Guidance. All awards are subject to specific agency restrictions, as well as College of Charleston's policies and procedures, located at:

<http://controller.cofc.edu/documents/policies-and-procedures/travel-policy.pdf>

The terms and conditions of the individual agreement should be reviewed prior to incurring and/or submitting any travel cost for reimbursement. When there is a conflict between College policy and award requirements, the more restrictive policy applies. Sponsored travel must be justified, well documented, in compliance with the sponsor requirements, and incurred within the period of the award. Sufficient documentation provides clarity so that anyone reviewing the transaction can verify that it is allowable, allocable and reasonable.

Air Travel

Airfare other than lowest economy (ex. business or economy upgrade) is not allowable on Federally sponsored projects unless an exception is met and documented. Federal regulations (2 CFR §200.474.3(d)) require that airfare costs in excess of the lowest economy fare class are unallowable except when the latter would:

- Require circuitous routing;
- Require travel during unreasonable hours;
- Excessively prolong travel;
- Result in additional costs that would offset the transportation savings; or
- Offer accommodations not reasonably adequate for the traveler's medical needs.

Exceptions for business-class or upgraded economy airfare must meet one of these criteria and be justified and documented to be allowable on a federal award.

Fly America Act – The Federal Travel Regulations requires international flights to be on U.S. flag air carriers whenever possible, which is accomplished when code sharing is present. Code sharing occurs when two or more airlines “code” the same flight as if it was their own. Therefore, international flight may be on a foreign air carrier's plane, but is considered the same as one operated by a U.S flag air carrier.

<http://www.gsa.gov/portal/content/103191>

Open Skies Agreement - Qualifying travelers, whose travel is supported by federal funds, may travel on U.S. Flag Air Carriers, or European Union airlines as long as they touch down in an EU country. Travelers with Department of Defense funding are not allowed to take advantage of this agreement. List of current member countries:

http://europa.eu/about-eu/countries/index_en.htm

F. EQUIPMENT

Equipment acquired with Federal funding is managed in accordance with Federal regulations, sponsor requirements and College policies. Equipment can be acquired through purchase, fabrication, donation or transfer from another institution.

The PI will ensure College policies and procedures are followed. Procurement and Supply Services oversees the equipment and property administration function including writing policies, implementing processes, conducting physical inventory and maintaining the official equipment and property records. Related policies and procedures are located at:

<http://procurement.cofc.edu/procurement-manual/types-of-purchases.php> and
<http://procurement.cofc.edu/inventory-control-procedures/index.php>

Any staff, faculty or student using equipment acquired with Federal funding must provide accurate, timely and complete information regarding equipment/property status and use, and maintain the assets in a responsible manner, including taking security precautions to discourage loss and theft of assets. The PI must report any loss, damage or theft of equipment acquired with Federal funding to Procurement and Supply Services, ORGA and the Controller's Office.

G. INDIRECT COST RECOVERIES

Indirect costs, or overhead costs, are those expenditures incurred for common objectives of the College, and therefore are costs that cannot be readily identified with a particular award. Indirect costs are applied as a percentage/ rate against the direct costs of a proposal budget and actual expenditures.

Indirect cost recoveries from sponsors will normally be allocated as follows: 50% to the general fund of the College to offset some of the College's general overhead costs, 40% to the originating School/ College Dean to be used at the Dean's discretion, and 10% to the Office of the Provost. Exceptions to the allocation must be approved in writing by the area in which the exception will affect.

For the most current information on the College's indirect cost rates, please visit:

<http://research.cofc.edu/administration/facts-figures-and-rates/index.php>

H. RE-BUDGETING AND PRIOR APPROVALS

During the course of a funded project, a Principal Investigator (PI) may want to make changes to the budget or to modify other aspects of the project. In some cases, such changes may require approval of the sponsor prior to the change. Re-budgeting and Prior Approvals policies vary from sponsoring agency to sponsoring agency, and it is the responsibility of the PI to contact the Office of Research & Grants Administration (ORGA) about potential changes to their projects and project budgets far enough in advance to allow for processing requests.

Most sponsors will require obtaining their approval prior to the following changes:

- Change in the objectives or scope of the project;
- Absence of or significant change of PI and/or other key personnel effort;
- Need for additional funding;
- Addition of a subaward or otherwise contracting out a “significant” portion of the project effort;
- Transfer of Participant Support costs to another budget category;
- Using funds for Equipment purchases not included in the proposal;
- Pre-award spending more than ninety (90) days prior to the award start date; or
- “Significant” re-budgeting for some projects, which is often defined as transferring over 10% of the award among direct cost categories (e.g., SC Sea Grant/NOAA/USGS-funded projects).

The above constitutes some general rules. As policies do vary from sponsor to sponsor and are amended from time to time, PIs are ultimately responsible for contacting ORGA with any questions or concerns about potential changes to their projects.

Re-Budgeting and Prior Approval Procedures

All re-budgeting and prior approvals requests must (1) occur prior to any changes or actions and (2) be submitted through the Office of Research & Grants Administration (ORGA).

- All requests should be emailed to ORGA with a description of the change requested including a justification for the change. ORGA will advise the PI as to next steps in obtaining approvals.
- When sponsor approval is required, ORGA will work with the PI to create the request. In most cases, ORGA will contact the sponsor with the request.
- When approval is obtained, ORGA will prepare the appropriate documentation for the Controller’s Office to make any changes and to place in the official file.

I. SUBRECIPIENT MONITORING

As a prime recipient of Federal awards, the College is responsible for ensuring that all awarded project activity, including that of its subrecipients, is compliant with award terms and conditions and applicable federal regulations. The Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (Uniform Grants Guidance) requires the College to make a case-by-case determination of whether each agreement to disburse Federal funds casts the party receiving the funds in the role of a subrecipient or contractor.

Subrecipients are subject to monitoring requirements set forth in 2 CFR 200, while contractors are subject to the College's standard procurement policies and procedures. It is the College's policy to evaluate each subrecipients' risk of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and to determine the appropriate monitoring procedures based on that assessment. The College may also include in subaward agreements any specific subaward conditions determined appropriate based on the risk assessment.

Ongoing financial monitoring of sub-awardees includes, but is not limited to, ensuring that:

- Each subrecipient is audited when expenditures equal or exceed the threshold set forth in the Uniform Grants Guidance;
- The College has in place a fully executed sub-agreement before any payments are made to the subrecipient;
- Invoices are for expenditures that occurred within the period of performance;
- Indirect costs are calculated correctly;
- Committed cost share is included on the invoice;
- Each invoice is signed by subrecipient officials and includes a statement certifying that costs are in compliance with Federal costing principles and/or sponsor requirements;
- The PI has approved invoices for payment, verifying that the subrecipient is performing as expected;
- Invoices are paid in a timely manner; and
- Final invoices are marked final.

J. CLOSEOUTS

It is the policy of the College of Charleston to comply with the requirements of Federal Regulation 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for the financial management of sponsored projects, including the timely and accurate close-out of awards.

All Federal projects will be closed in accordance with 2 CFR 200. All other awards will be closed as soon as possible after the award end date to ensure that all expenses posted to the project are allowable, no additional charges are posted, all payments are received, and all required reports are submitted.

Principal Investigators are responsible for the timely submission of required reports (including final technical reports). Central offices prepare and submit final administrative reports, including financial reports, on the basis of documentation created in the department. PI's must assure that such documentation is adequate and readily available. In addition, PI's are responsible for ensuring that any necessary final financial adjustments and documentation (e.g., final invoices from vendors or subrecipients) are received promptly after the end of the award.

Ninety (90) days before the termination date of the sponsored project, the PI will be notified that the sponsored project is ending and that, unless an extension is being requested, closeout preparation should commence. At that time, PI's should ensure that all costs have been appropriately charged to the project. It is important to review all costs and remove those that are unallowable. The grant accountant will work with the PI to clear any open items remaining on the project. The grant accountant confirms that all pending adjustments have posted to the account and are reflected in the College's general ledger. All outstanding deficits should be resolved and/ or transferred before close-out.

Funds may not be obligated after the termination date of the award. Any purchase orders for supplies, or other materials or services must be purchased and received prior to the last day of the award performance period and be authorized, allowable, and necessary for the completion of the project. Unless the Federal awarding agency or pass-through entity authorizes an extension, all obligations under Federal awards must be liquidated not later than ninety (90) calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

Proper award close out includes completion and submission of all technical, financial, and administrative deliverables and collection of all accounts receivable. Financial reports are prepared by the Controller's office and will be made available for the PI to review before submission to the awarding agency. Technical reports are the responsibility of the PI. For all fixed price grants with residual balances, please refer to the closeout procedures at:

<http://research.cofc.edu/administration/documents/policies-documents/closeout-of-fixed-price-grant-and-contract-accounts.php>

The sponsoring agency retains the right, after an award had been closed, to recover funds should any questioned costs be disallowed during the course of an audit. All disallowed costs will be borne by the host department.

K. AUDITS

The College is subject to an annual single audit of internal controls as required by 2 CFR 200, Federal Regulations. The College is also subject to pre-award audits and claimed costs audits by Federal agencies/ sponsors, audits from other entities who provide flow-through funding to the College, an annual financial statement audit, and internal audits conducted by members of the College of Charleston internal audit department.

L. DATA SECURITY

The College of Charleston controls the access to data in several ways. Access to the financial system is limited to functions necessary to perform required job responsibilities, and must be requested and approved by the department head, the Budget and Payroll Services, and the Controller's Office. Related forms are located on the Controller's website:

<http://controller.cofc.edu/accounting-forms/index.php>

In addition, all employees must adhere to College-wide policies, which include the following policies in regards to the protection of data:

Privacy policy: <http://www.cofc.edu/policies/privacypolicy/>

Data Loss Prevention policy: <http://policy.cofc.edu/documents/10.19.pdf>

Information Security: <http://it.cofc.edu/security/index.php>

Records pertaining to certain awards that have closed are stored in an off-campus secure warehouse location and maintained according to the retention policy. The warehouse has limited access by a small number of employees and utilizes a 24 hours per day / 7 days per week security monitoring system.

M. RECORD RETENTION

The College follows all Federal and State regulations related to record retention for sponsored programs. Specific record retention schedules are located at:

<http://policy.cofc.edu/policy.php>
(11.4 Retention and Destruction of Records)

Related Policies, Documents or Forms

Federal Regulation 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Generally Accepted Accounting Principles (GAAP)

Government Accounting Standards Board (GASB)

South Carolina and College of Charleston Regular Disbursements Policy

Issue Date: 5/7/2016

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Date of Last Revision: 5/7/2016

Next Review Date: 3/15/2021