

Grants Budget Guidelines March 9, 2007

The Grants Budget Guidelines document (1) outlines the cost principles for making purchases with grant funds, (2) provides a table of allowable costs, and (3) provides guidelines for when you must request prior approval from a sponsor to make changes in your project.

1. Cost Principles

The federal government is the largest sponsor of research, special program funding, and scholarly activities at Sinclair Community College. For that reason, the cost policies of the federal government contained in the Office of Management and Budget Circular A-21 (*Cost Principles for Educational Institutions*) are the standard for all sponsored grant activities. For a given cost to be charged against a grant, it must meet the **all** of the following tests:

1. *Is it reasonable?* (Would a prudent person who is not part of your project think the expense is reasonable?)
2. *Is it allocable?* (Is the expense beneficial to the project?)
3. *Is it consistent with institutional policy?* (Is the expense treated the same way regardless of the source of funds?)
4. *Is it allowable?* (It is in your approved budget and does the sponsor permit the expense?)
5. *It is available?* (Do you have sufficient funds in the line item to cover the expense?)

2. Allowable Costs

The table below provides information about the allowability of some common grant-related expenses. In the case of inconsistency between the provisions of a specific sponsor agreement and the provisions below, the specific sponsor agreement will prevail.

DIRECT COST	NORMAL TREATMENT
<p>Common Sinclair Budget Account Numbers</p> <p>Salaries: 51100 Admin. & Professional 51110 Office & Clerical 51120 Technical 51200 Full -time faculty 12 month 51210 Part-time faculty 51290 Full-time faculty-3/4</p> <p>Wages 51500 Regular student wages 51510 Work study student wages</p>	<ul style="list-style-type: none"> • Personnel costs include Sinclair faculty, staff, and students as well as non-Sinclair employees (not independent contractors) receiving stipends or other reimbursements from your grant • Personnel costs must be in your approved budget. • Costs of personnel are allowable on projects to the extent that the time is supported by actual effort performed on the project. • Sinclair Human Resource guidelines must be followed to compute the cost charged to a sponsored project. • <i>Staff positions:</i> For new staff members supported by grant funding, you must complete Position Description Questionnaires. The position is rated by Human Resources and given a Hay Grade. Current salary guidelines for the Hay Grade must be followed. For

DIRECT COST	NORMAL TREATMENT
<p>51550 Other hourly</p> <p>Fringe Benefits</p> <p>Must be charged for all personnel costs</p> <p>52000 Fringe benefits</p>	<p>full-time staff, twice per year effort certifications, called salary certifications, are used to document the actual effort performed. Part-time staff must complete timesheets. Salary certification forms are prepared by the Accounting department, reviewed/approved by the employee, Project Director/Principal Investigator, and the applicable Dean.</p> <ul style="list-style-type: none"> • Faculty positions: Full-time faculty time allocated to sponsored projects may be charged as reassigned time or overload, or paid through Personal Service Agreements. The method chosen is based upon agreement with a department chair and dean. <p><i>Reassigned Time or Overload:</i> For faculty receiving reassigned time or overload, the effort is charged against the grant account number on the Faculty Load Sheet.</p> <p><i>Personal Service Agreement:</i> Extra compensation or supplemental pay for work in the form of a Personal Service Agreement is allowable in certain circumstances, with specific sponsor permission, and with the agreement by the appropriate department chair and dean. Personal Service Agreements are designated for faculty work on a project that is performed during non-contract time (evenings, weekends, break periods between quarters, and the summer quarter). A Personal Service Agreement must be written for the fair value of faculty time commitment (based upon college approved reassigned rates dependent upon faculty rank), with specific deliverables, and a deadline for completion. The Personal Service Agreement is completed and approved following standard college procedures.</p> <ul style="list-style-type: none"> • Faculty performing work on federally funded projects are subject to the “2/9ths” rule which states that faculty are limited to a maximum of 2/9ths, (or 22%) of their salary for extra compensation in any given year. • Students: Students may be hired following standard hiring processes at standard rates. Students must complete timesheets.

DIRECT COST	NORMAL TREATMENT
<p>Travel 54100 Travel out of state 54200 Recruiting expense 54500 Travel in state</p>	<ul style="list-style-type: none"> • Travel must be in your approved budget. • Costs are allowable if the travel specifically benefits the project. • All travel must be approved in advanced based on Sinclair travel policies (i.e., no first class flights, per diem and hotel based on GSA approved rates, car rentals are approved on rare circumstances). • Only U.S. carriers may be used for international flights; first class is prohibited.
<p>Capital Equipment 59400 Lab & classroom 59410 Office furniture & equipment</p>	<ul style="list-style-type: none"> • Equipment must be in your approved budget. • Equipment is defined as an item with a unit cost exceeding \$5,000. • To purchase equipment, you must have competitive bids. • Principal Investigators are not authorized to purchase equipment unless they follow Sinclair Purchasing Department procedures. • You must work with the Purchasing Department to obtain the bids and purchase the equipment. • Costs are subject to Sinclair purchasing policies. • Lab & classroom equipment: Specialized equipment is allowable when the equipment is necessary to complete your project and it will be used primarily or exclusively for the project to which it will be charged. • General purpose equipment (i.e., desks, file cabinets, etc.): Generally this type of equipment is unallowable unless specifically approved by the sponsor agreement; general purpose equipment must be listed in your approved budget. • Computers: Computers are often Supply items because they generally have a unit cost below \$5,000; computers must be in your approved budget and can only be purchased if they are essential to the performance of the work and will be used exclusively on the project. You must work with Information Technology Services to purchase computers.

DIRECT COST	NORMAL TREATMENT
<p>Business Meals and Meeting Costs</p> <p>55730 Special events 55740 Special events Bldg 12</p>	<ul style="list-style-type: none"> • Costs must be in your approved budget. • Meeting costs are permitted only when specifically permitted by the sponsor agreement. • You must have a specific business purpose for the meeting with a written agenda that is related to the execution of the project.
<p>Entertainment Costs</p>	<ul style="list-style-type: none"> • Not allowable with public funds. • The purchase of alcoholic beverages is specifically prohibited.
<p>Internet Connection Costs</p>	<ul style="list-style-type: none"> • Costs of Internet connections at home, hotel, or airport are not allowable.
<p>Local and Long Distance Telephone (including monthly instrument charges)</p> <p>55500 Telephone</p>	<ul style="list-style-type: none"> • Costs must be in your approved budget. • Allowable if included in the approved budget and if the telephone is required for the specific and exclusive use on the project.
<p>Material and Supply Costs</p> <p>53100 Office & general supplies 53200 Classroom supplies 53300 Laboratory supplies 53400 Maintenance supplies 53900 Miscellaneous supplies 57810 Software</p>	<ul style="list-style-type: none"> • Material and supply costs must be in your approved budget. • Project Supplies: Items such as chemicals, laboratory supplies, notebooks, etc. that are for exclusive support of the project are allowable. Note, computers and software are considered supplies when they have a unit cost below \$5,000. • Office Supplies: Must be specifically listed in the approved budget; office supplies allowable only when used exclusively to support the project. • Computers: Computers are often Supply items because they generally have a unit cost below \$5,000; computers must be in your approved budget and can only be purchased if they are essential to the performance of the work and will be used exclusively on the project. You must work with Information Technology Services to purchase computers.
<p>Memberships (scientific or professional societies)</p> <p>55100 Subscriptions & reports 55200 Dues & memberships</p>	<ul style="list-style-type: none"> • Unallowable unless specifically approved by the sponsor.
<p>Postage (U.S. Postal Service, Courier, Delivery Charges (i.e.,</p>	<ul style="list-style-type: none"> • Costs must be in your approved budget.

DIRECT COST	NORMAL TREATMENT
UPS, DHL, etc.) 55700 Postage	<ul style="list-style-type: none"> • Allowable only when used exclusively to support the project.
Professional Services 57940 Outside services – use this account for independent contracts (not College employees); for example, consultants	<ul style="list-style-type: none"> • Costs must be in your approved budget. • Allowable but are subject to stringent IRS regulations. • Note this line item is not for stipends or honoraria.
Publication Costs 55300 Printing 55400 Advertising	<ul style="list-style-type: none"> • Must be in the approved budget. • Allowable only when it specifically approved by the sponsor.
Scholarships and Financial Aid 57400 Student Aid-general	<ul style="list-style-type: none"> • Unallowable unless the grant is specifically designated for scholarships and/or financial aid.

3. Prior Approvals

In certain circumstances you must contact your sponsor's program officer to obtain prior approval to make project or budgetary changes. Investigators who think they need to make major changes should discuss this first with the Sinclair Grants Office to determine a strategy. The following table provides guidelines for when it is necessary to obtain agency approvals.

PRIOR APPROVAL IS REQUIRED FOR	HOW APPROVAL IS OBTAINED
Change in scope	Written request to sponsor.
Changes in status of key personnel: <ul style="list-style-type: none"> • Withdrawal from the project • Absence for 3 months or more • Reduction of time by 25% or more from approved level 	Written request to sponsor.
Carryover of unobligated funds	Written request to sponsor.
Deviation from award terms and conditions	Written request to sponsor.
Need for additional funding	Written request to sponsor, including extension of a final budget period of a project period with additional funds.
Pre-award costs <ul style="list-style-type: none"> • No more than 90 days prior to effective award date • Made at grantee's own risk 	Under certain projects, an institution may approve at the institution's risk.

PRIOR APPROVAL IS REQUIRED FOR	HOW APPROVAL IS OBTAINED
No-cost extension	Under certain projects, an institution may approve with written notification to the sponsor.
Transfer of amounts from trainee or participant support costs	Written request to sponsor.
Some budget revisions	Certain sponsors require prior approval for budget revisions. For example, the Ohio Department of Education (ODE) uses a 10% threshold to allow for fluctuating operating expenses during the project period. This threshold permits unanticipated, previously approved increases or decreases in costs in each ODE purpose code without prior approval—over 10% requires prior approval. To obtain prior approval can sometimes take several weeks.