



# **NORTHERN NEW MEXICO COLLEGE**

## **Grant Fiscal Management Guide**

**Administered by:**

The NNMC Administration and Finance Office

Revised 7.1.19

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# NNMC Fiscal Management Guide

## Purpose

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The Northern New Mexico College's (Northern) Grant Fiscal Management Guide has been created to give practical reference guidance to faculty and staff in the management and administration of grants and sponsored projects.

Objectives of the Guide include:

- Implementation of internal controls for the management and administration of grants and sponsored projects.
- Ensuring that transactions are properly recorded and accounted for in a manner that (1) maintains a separate and unique general ledger accounting code structure for each sponsored project; (2) permits the preparation of reliable financial statements and reports; and (3) maintains compliance with legal, regulatory, and program requirements.
- Protecting Northern and Sponsoring Agencies from loss or misuse of funds, property, and other assets.
- Building upon Northern's commitment to fostering a strong culture of compliance and accountability.

The Guide is a dynamic and evolving document. The policies and procedures herein are continually being refined and improved upon in efforts of increasing efficiency, enhancing controls and processes, reducing risks, and ensuring responsible and effective stewardship of sponsored project funds. In addition, federal, state, and local laws, as well as sponsoring agency rules and regulations are subject to change. It is recommended that all personnel involved in sponsored projects refer to, review this document regularly, and stay apprised of the most current rules and regulations governing their project/program. Links to applicable internal and external forms, regulations, policies, laws, and other resources are provided throughout and should be read and understood as integral components of the Guide.

Suggestions for improvements to the Guide are welcome and should be sent to [cheryl.james@nmmc.edu](mailto:cheryl.james@nmmc.edu).

## Compliance Environment

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As a recipient of federal, state, and private sponsored project funding, Northern assumes the legal responsibility to administer federal awards in compliance with the terms and conditions of the award, the regulatory and compliance requirements of the sponsoring agency, Northern policy, and federal, state and local laws. It is important to note that, while universities and colleges in New Mexico are required to follow the New Mexico Procurement Code (statutory), they are not required to follow state-issued appertaining regulations and other guidance issued by the State of New Mexico. Instead, universities and colleges in New Mexico are allowed to develop their own institute-specific policies which are in many instances less restrictive than state-issued regulations and guidelines. **However, in 2018 (at the behest of Northern's Executive Management) Northern's Board of Regents, by formal resolution, adopted all current and future regulations and guidance issued by the State of New Mexico pertaining to the New Mexico Procurement Code.** In addition, Northern is required to follow Generally Accepted Accounting Principles (GAAP) as defined by the Federal Accounting Standards Advisory Board, FASAB Handbook of Federal Accounting Standards and Other Pronouncements, as well as the Governmental Accounting Standards Board (GASB) Accounting Standards and Guidance. Compliance with these standards is assessed through annual single audits conducted by independent contracted auditors, approved by the State of New Mexico's Office of the State Auditor.

All college sponsored project personnel share accountability for the responsible and effective stewardship of grant and sponsored program funds while ensuring compliance with the applicable laws, regulations and policy.

Consequences of non-compliance with federal regulations may result in:

- Questioned and/or disallowed costs.
- Reduction in award amounts.
- Withholding of payments.
- Withholding of awards.
- Suspension and debarment.
- Potential criminal charges if false claims are submitted or suspected.

Grant Compliance includes all of the following:



For all federal awards, including federal pass-through awards, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Guidance)<sup>1</sup>, provides the ground for institutional compliance.

The False Claims Act (31 U.S.C. § 3729) also applies to federal funds. Under the U.S. False Claims Act, persons working with federal funds are prohibited from “knowingly presenting, or causing to be presented, to an officer or employee of the U.S. Government or a member of the Armed Forces of the U.S. a false or fraudulent claim for payment or approval.” (31 U.S.C. § 3729), including:

- Knowingly presenting or causing to be presented, a false or fraudulent claim for payment or approval
- Knowingly making, using or causing a false record or statement material to a false or fraudulent claim

Additional compliance restrictions regarding Conflict of Interest may be found in the Northern Procurement Guide and are reflected in the Northern Code of Conduct.

### **Oversite and Monitoring:**

Northern’s Comptroller and Compliance Officer, under the direction of the Vice President of Administration and Finance, are responsible for guiding faculty and staff in upholding the high compliance standards of the college. These staff persons provide trainings on relevant compliance issues during Fall and Spring Convocation.

## **Institutional Policies**

In addition to the guidance provided in this Guide, below is a list of institutional policies that apply to grants and sponsored programs with links to their location on the Northern website:

**Policy 2400 Sponsored Programs Administration and Management** (pages 35-45) is part of the 2000 Policy

<sup>1</sup> 2 CFR 200 Uniform Guidance is available at the Federal Register on [www.ecfr.gov](http://www.ecfr.gov).

Series found at: <https://nmc.edu/wp-content/uploads/2018/12/NORTHERN2000Series-revised-approved-12.7.18.pdf>.

Policy 2400 includes the following Sections:

1. Definition of Sponsored Projects (pg. 35)
2. Faculty and Staff Eligibility (pg. 35)
3. Procedures for grant proposal drafting and submission (pg. 36)
4. Budget Guidelines for a Proposal (pg. 36)
5. PI/Director Responsibility for Preparing, Submitting and Managing the Budget (pg. 41)
6. Commitment of College Resources (pg. 42)
7. Cost Sharing (pg. 42)
8. Expenditures NOT Eligible for Cost Sharing (pg. 44)
9. Reporting Cost Sharing (pg. 44)
10. Reduction in Cost Sharing (pg. 45)
11. Stipend Award Procedures (pg. 45)
12. Proposal routing process (pg. 45)

**Policy 2410 Sponsored Projects – Post Award** (pages 45-47) is part of the 2000 Policy Series found at: <https://nmc.edu/wp-content/uploads/2018/12/NORTHERN2000Series-revised-approved-12.7.18.pdf>.

Policy 2410 includes the following Sections:

1. Procedures for post award activity (pg. 45)
2. Subawards (pg. 45)

**Policy 2420 Sponsored Programs Fiscal Management and Administration** (pages 47-51) is part of the 2000 Policy Series and can be found at: <https://nmc.edu/wp-content/uploads/2018/12/NORTHERN2000Series-revised-approved-12.7.18.pdf>.

Policy 2420 includes the following Sections:

1. Overall PI/Director Budget Responsibilities (pg. 47)
2. PI/Director Budget Management Responsibilities (pg. 48)

**Policy 2430 Subrecipient Monitoring Policy** can be found as a separate document at: [https://nmc.edu/wp-content/uploads/2018/12/NNMC\\_Subrecipient\\_Monitoring\\_Policy2430Approved12.7.18.pdf](https://nmc.edu/wp-content/uploads/2018/12/NNMC_Subrecipient_Monitoring_Policy2430Approved12.7.18.pdf).

**Policy 7710 Property Management and Control Policy (Capital Assets, Disposal of Property and Depreciative Life)** can be found at: [https://nmc.edu/wp-content/uploads/2019/08/NNMC\\_Property\\_Management\\_Control\\_Policy\\_7710\\_approved\\_8.15.19.pdf](https://nmc.edu/wp-content/uploads/2019/08/NNMC_Property_Management_Control_Policy_7710_approved_8.15.19.pdf).

**Policy 7720 Disposal and Donation of Property** can be found at: [https://nmc.edu/wp-content/uploads/2019/12/NNMC\\_Disposal\\_of\\_Equipment-7720approved-3.22.19.pdf](https://nmc.edu/wp-content/uploads/2019/12/NNMC_Disposal_of_Equipment-7720approved-3.22.19.pdf).

Northern's **Code of Conduct** can be found at: <https://nmc.edu/wp-content/uploads/2019/04/Code-of-Conduct-Conflict-of-Interest-Policy-BOR-approved-8.18.17.pdf>.

**Northern's Travel Policy and Procedure Guide** applies to all grants and sponsored programs and can be found at: [https://nmc.edu/wp-content/uploads/2018/11/NNMC\\_Travel\\_Policy-Procedure\\_Guide\\_rev.-5.29.18.pdf](https://nmc.edu/wp-content/uploads/2018/11/NNMC_Travel_Policy-Procedure_Guide_rev.-5.29.18.pdf).

**Northern's Procurement Guide** applies to all procurements, including grants and sponsored programs and

can be found at: [https://nnmc.edu/wp-content/uploads/2018/12/NNMC\\_Procurement\\_Guide\\_rev.5.29.18.pdf](https://nnmc.edu/wp-content/uploads/2018/12/NNMC_Procurement_Guide_rev.5.29.18.pdf).

**Additional Institutional Guidance:**

**Grant Writing, Submission, and Post-Award Procedures** provided by the Office of the Provost can be found at: [https://nnmc.edu/wp-content/uploads/2019/01/Grant\\_Submission\\_Procedures\\_Final.pdf](https://nnmc.edu/wp-content/uploads/2019/01/Grant_Submission_Procedures_Final.pdf).

The **Notice of Intent to Apply** form can be found at: [https://nnmc.edu/notice\\_of\\_intent\\_to\\_apply10-11-18version/](https://nnmc.edu/notice_of_intent_to_apply10-11-18version/). For assistance with this form, please contact the Grants Office directly.

## Office of Administration and Finance

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The Northern Office of Administration and Finance provides post-award financial administration, accounting and budgeting functions, and compliance oversight of sponsored projects.

The key responsibilities of the Office of Finance and Administration include:

- Supporting project faculty and staff in the administration of awards and developing training and resource documents to aid faculty/staff with such administration.
- Developing policies and procedures to ensure compliance with federal and state regulations.
- Initiating sponsored award account set-up and inputting project budgets into the accounting system.
- Drawing down federal grant funds from the U.S. Department of Education G5 System, the National Science Foundation ACM\$ site, and other methods as dictated by funders.
- Coordinating and assisting in the annual 2 CFR 200 single audit.
- Reviewing allowability of direct cost expenditures to awards.
- Retention of financial records, supporting documentation, and other records pertinent to sponsored projects.
- Maintenance of segregated grant/sponsored project accounting ledgers in BANNER according to award performance and budget periods.
- Providing the primary accounting functions for activities under sponsored projects.
- Working closely with Project Directors and other necessary project personnel to complete required agency/funder fiscal reports.
- Collecting and reviewing all certified Time and Effort Reports and, in conjunction with posted payrolls, preparing and posting allocations of wages and benefits to be charged to sponsored projects.
- Processing accurate and timely payroll payments to all sponsored project personnel.

## Human Resources

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All grant-sponsored personnel and new hires are subject to the policies and procedures of the College's Office of Human Resources.

The key responsibilities of the Office of Human Resources & Payroll Department include:

- Conducting the hiring process of all new sponsored project personnel.
- Making accurate and timely payments to all sponsored project personnel.
- Providing the Office of Finance and Administration with all necessary employee contracts, wages and benefits information, payroll information, and any other information pertinent to calculating accurate personnel charges against sponsored projects.

Personal Action Forms for all grant funded positions may be found at:

## Allowable Costs

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The Uniform Guidance establishes the principles for determining costs applicable to federal grants, contracts, and other agreements with educational institutions. Per Uniform Guidance 2 CFR 200.404 for cost to be allowable, they must be necessary, reasonable, and allocable. In addition, to be allowable costs must:

- Conform to any limitations or exclusions set forth in the UG or in the Federal award GAN and special conditions.
- Be consistently allocated and treated according to NNMC policies and procedures.
- Be determined in accordance with generally accepted accounting principles (GAAP).
- 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 a prior period.
- Not be a cost that had been previously funded by the college's general budget (supplanting.)

All cost must all have sufficient documentation to support the charges according to the principals above and follow Northern's Procurement procedures. In addition, all institutional travel must follow the guidelines set forth in Northern's Travel Policy. (See references for both of these policies above.) PI/Directors must approve all expenditures that utilize funding from their applicable awards before submitting for budget, compliance, and executive approval.

## Unallowable Costs

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As a public institution of higher education, funded in part by State allocations and student tuition, NNMC is held to a high standard of accountability for its procurement practices. All college expenditures should clearly and directly support the College's mission to ensure student success by providing access to affordable, community-based learning opportunities that meet the educational, cultural, and economic needs of the region.

When requested expenditures are questionable, either by the State Procurement Code or by the Federal Uniform Guidance, advance confirmation of allowability must be made by the NNMC Office of Administration and/or by the NNMC Grants Office as applicable to the funding source for the expenditure.

Examples of unallowable expenditures, include, but are not limited to: items for personal use; alcoholic beverages; items whose costs include a taxable donation (i.e. meals at fundraising events, table sponsorships, etc.); fines and penalties incurred by an employee; gift cards; expenses directly related to lobbying or the endorsement of any political candidate; and items procured in a manner not consistent with NNMC's procurement policy. Please reference Northern's Procurement Guide for additional guidance on 'unauthorized purchases.'

## Cost Transfers

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Every effort is made to ensure accuracy of costs charged to sponsored projects, however it is understood that clerical errors are possible, or that it was determined after the fact that the cost was unallowable. In such cases, cost transfers between accounts may be necessary. In order to promote accurate and timely budgets, drawdowns, and reporting, Northern strives to process cost transfers be made within 90 calendar days of the original cost being incurred. PIs/Directors should notify the Office of Administration and Finance immediately if they find in reviewing their drawdown reports or budgets, any expenditures that they feel have been posted to an incorrect budget line.

Per Northern Policy 2420-Sponsored Program Fiscal Management and Administration, "the PI/Director is responsible for the ongoing fiscal management of awarded projects, including regular monitoring against project period budgets. Federal grants policy (Uniform Guidance) 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 sponsors allow certain flexibilities with respect to rebudgeting, unobligated balances, and pre-award costs, Northern and sponsors expect expenditures to be reasonably consistent with the approved project and budget. Sponsors may question or restrict

expenditures appearing inconsistent with the project plan and budget. PIs/Directors are obligated to request prior approval when budget and program plan revisions indicate a significant change in scope. Example indicators of a change in scope may include significant expenditures beyond the amount authorized on the award or requests for additional funding. PIs/Directors should verify the terms of their awards with the business office account manager before they request rebudgeting.”

The PI/Director is also responsible for costs in excess of project budgets. If a cost overrun is discovered and additional funds are required, the PI/Director’s department may be required to settle the overage with other available funding.

Unobligated funds at the end of a budget maybe carried forward into a subsequent budget period if properly justified, budgeted for, and approved by the sponsoring agency. Carryover funds can only be used to complete activities directly related to and consistent with the activities approved within the grant agreement and/or approved activities that were not completed in the budget period that funds were originally awarded. The PI/Director is responsible for initiating requests to the awarding agency for permission to carry forward fund.

**Cash Management & Electronic Drawdown of Federal Funds**

The federal government allows grant recipients to draw down funds electronically through the Department of Education’s G5 Grant Management and the National Science Foundation’s ACM\$ Systems. Funds may either be drawn down (1) in advance of anticipated grant related expenditures, or (2) after costs have been incurred for grant related expenditures. (EDGAR 34 CFR 74.22). Under the Cash Management Improvement Act of 1990 (CMIA), the college may be required to pay interest to the Federal Government in some circumstances.

Northern currently draws down grant funds for both federal and state awards after costs have been incurred for grant related expenditures. The following is the cash management procedure the college is practicing for the receipt of funds.

- Project Directors approve all allowable grant expenditures through the procurement process and all items are reviewed and approved by the Compliance Officer. Approved expenditures are paid through the college’s established payables and payroll processes.
- Grant expenditures are coded with unique General Ledger account codes that separate them from other college expenditures during the procurement processes and payroll set-up functions.
- The Grants Accountant runs the BANNER transaction detail report to determine YTD expenditures by award. Changes from prior period are reconciled and based on the expenditures on the transaction detail report, the amount of the drawdown is calculated.
- The Grants Accountant determines Indirect costs for each grant based on IDC rate and/or allowable portion of the IDC rate for each award. Determination regarding if the grant is faculty or institutional lead determines the allocation of the cost per the schedules below.

**Grants initiated by a Faculty Member and where the Faculty Member is the PI**

	Suggested Distribution of Total	Suggested Distribution of 30%
General Fund	80%	24.0%
Principal Investigator	5%	1.5%
Department/College	10%	3.0%
Provost	5%	1.5%

**Institutional Academic Grants where the Colleges/Departments are Participants.**

	Suggested Distribution of Total	Suggested Distribution of 30%
General Fund	85%	25.5%
Department/College	10%	3.0%
Provost	5%	1.5%

- The Grants Accountant, with assistance from the Accounts Payable office, gathers supporting documentation for all expenses to be drawn, this includes all invoices and checks, and journal vouchers.
- The drawn down request is then reviewed and approved by the Comptroller.
- Approval is obtained and the drawdown from Department of Education G5 website, National Science Foundation ACMS website or invoice is submitted to funder via email or other assigned method. Electronic submissions are certified by the Grants Accountant, as applicable the President of the College.
- Funds are received via ACH when G5 or ACMS is used and a check is received for all other invoices.
- The Grants accountant creates a journal voucher to record the cash receivable.
- Copies of grant draw down requests are provided to PI/Directors' for review and internal tracking.

### **Refunds to Award Sponsor**

Any amounts determined to be unallowable, or adjustments from normal accounting practices, must be credited back to the awarding sponsor. Such credits may be applied to the next scheduled draw down following the draw down procedure above. In the case of awards that are closed, upon discovery, a letter of explanation must be drafted to the awarding agency and submitted in a timely fashion. Such returns must be approved by both the Comptroller and the Vice President of Administration and Finance.

## Cost Sharing and Matching

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Some sponsored project opportunities required institutional cost sharing/matching of expenses. These types of costs will be included in the project budget and must be approved prior to grant application submission. The college must maintain complete and accurate records of all project costs whether they are charged to a sponsored project or supported by cost-sharing, matching, or in-kind contributions. All cash and in-kind contributions to a project that are provided by the college or by a third party are acceptable as the college's cost share when such contributions meet the following criteria:

- Are verifiable from the College's records;
- Are not included as contributions for any other federally-assisted program;
- Are necessary and reasonable for the proper and efficient accomplishment of project objectives;
- Are allowable under the cost principles outlined in the Uniform Guidance and/or solicitation;
- Are used to support activities that are included in the approved project work plan; and
- Are incurred during the award period.

There are several types of cost sharing: mandatory, voluntary committed, voluntary uncommitted, or in-kind/matching. Mandatory, voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout the College. Cost sharing can also be provided in the form of salary and accompanying benefits (effort devoted to a sponsored project). Matching may also be in the form of actual cash expenditure of funds or may be an "in-kind" match, which is the value of non-cash contributions to the project. In-kind or matching contributions made by a party other than NDNU require documentation from that third party supporting the use of the funds as in-kind/matching and may require a certification of fair market value.

## Control of Property

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Per Northern Policy 2420 section 2.8, the College is responsible for the control of property funded under the terms of sponsored project contracts and grants. The PI/Director is responsible for the control and maintenance of the sponsored property. The PI/Director may delegate property control functions to the persons related to the project such as the project staff, research coordinator, department property administrator, or administrative staff. The IT department conducts physical inventory inspections annually; the resulting inventory report is then prepared by the Office of Administration and Finance, and is certified by the Board of Regents.

Per Northern Policy 7710, college property must be managed according to college policy and applicable state and federal law, including the following:

- State of New Mexico Law Section 12-6-10;
- State of New Mexico Law Section 13-6-1 and 13-6-2; and
- Federal Uniform Guidance, sections 2 CFR 200.313 Equipment and 2 CFR 200.439 Equipment and other capital expenditures (OMB guidance for property purchased with federal grant funding).

The Office of Administration and Finance is solely responsible for the disposing of all NNMC property, except property to be used by the Procurement Office as a trade-in or exchange, as well as IT equipment that must be processed through the IT Office. The disposition of equipment or other capital expenditures purchased with Federal funds must be approved by the NNMC Federal Grant Compliance Officer/Grants Manager per guidelines provided in 2 CFR 200.313 and 200.439. Please refer to Policy 7710 and 7720 listed at the beginning of this Guide for guidance on moving or disposing of any college property.

## Equipment Usage

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Per Northern Policy 7710, Property, regardless of its funding source should be used for the purpose originally intended. However, additional rules apply to property purchased with federal funds. Such property must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award. When no longer needed for the original program or project, the equipment may be used in other activities may sometimes be used elsewhere within the college after the project ends following the guidelines presented in Uniform Guidance sections 2 CFR 200.313 Equipment and 2 CFR 200.439 Equipment and other capital expenditures.

The Grants Office/Compliance Officer must approve all change of use requests for equipment purchased with federal funding and written permission from the federal funding agency may also be required. Please submit the NNMC Inventory Control Form and contact the Grants Office prior to moving or changing the use of such property.

## Reporting Requirements

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As a recipient of federal, state and private sponsored project funding, Northern is responsible for accurate and timely submission of all reports required by the terms and conditions of the sponsoring entities grant award agreement. Interim, annual, and final performance and financial reports are common reporting requirements of federal grants; however, additional technical reports, endowment reports, programmatic reports, progress reports, and special analysis may also be required. PIs/Directors are responsible for all programmatic reporting requirements, including the timely submissions of the reports, coordinating with the Grants Accountant for assistance with all fiscal reports. Please refer to the award agreement for details on reporting requirements.

**Final Reporting and Grant Closeout:** Project closeouts typically require a series of final reports to be submitted to the awarding agency. Depending on the type of grant and the nature of the activities of the grant, these final reports may include performance reports, technical or programmatic reports, financial reports, endowment reports, inventory reports, etc. Unless otherwise specified in the grant award agreement, final financial and performance reports are due 90 calendar days after the expiration or termination of the award. PIs/Directors should pay close attention to all final reporting requirements and due dates. Failure to submit timely and accurate closeout reports may affect future funding to the College.

## Time and Effort

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Per NNMC policy 2400 Sponsored Programs Administration and Management, NNMC requires all sponsored projects to adhere to all applicable Federal financial reporting terms and guidance. The current guidance is provided in the Federal Uniform Guidance 200 CFR 200.430. Section 200.430 states: "Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated." NNMC reserves the right to charge cost disallowances on sponsored projects to department operating accounts as determined by NNMC's Vice President of Administration and Finance.

NNMC is required to document work performed by professorial and professional staff on externally sponsored activities per Federal regulations (2 CFR part 200,430). In accordance with Federal guidelines, NNMC's time and effort reporting forms track the percentage of distribution of activities totaling 100% of the employee's work effort during the time period reported. All work charged to an award must be commensurate with the committed effort expended in support of programmatic objectives, and charges for such work must be reasonable, allowable, and allocable.

#### Documentation:

Per Uniform Guidance 2 CFR 200.430(i) NNMC's payroll system must accurately reflect the work performed and supported by a system of internal controls that provides reasonable assurances that charges are accurate, allowable, reasonable, and properly allocated. The Uniform Guidance states that payroll distribution records must:

- Be incorporated into the official records
- Reasonably reflect the employee's total activity
- They cannot include time that an employee is not compensated for and cannot be compensated above 100%
- Encompass both Federally assisted and all other activities compensated on an integrated basis
- Comply with accounting policies and practices
- Support the distribution of salary or wages among specific activities or cost objectives if an employee works on more than one award or activity.

#### Split Appointments:

While effort reporting relates to sponsored awards, NNMC is required to confirm effort on all accounts for employees whose time is partially committed to a Federal sponsored project. Percentage of effort and dollars charged are not independent of each other; they are intricately linked via the methodologies for tracking, reporting, and internal controls. As such, bi-annual reviews of time and effort certifications and related reports pertaining to split allocations of personnel charges, including the allocation of fringe benefits, will be conducted and maintained for all federal awards by the Compliance Officer.

#### Use of Budget Estimates:

The Uniform Guidance allows for use of budget estimates on an interim basis. Though estimates may be used, after the fact reconciliation of actual time worked and charged (planned vs actual) must occur on a regular basis. NNMC ensures through the Time and Effort Certification process that budget estimates are reasonable for the activity actually performed and that significant changes (or errors) in the corresponding work activity are identified and corrected in a timely manner in the BANNER system.

#### Pre-Approval Process and Responsibilities:

- Sponsored Program Principal Investigators and/or Project Directors are responsible for working with HR in preparing and submitting accuracy PAFs and Letters of Appointment (LoAs).
- The Grants Manager is required to review all Federally funded PAFs and Letters of Appointments prior to execution to ensure accuracy, allowability, allocability, and reasonableness per the conditions of the award.
- The NNMC Grants Accountant is responsible for verifying account coding, including position control, and budget availability per approved award budgets.
- The Vice President of Academic Affairs (or in his/her absence the Vice President of Administration and

Finance), is required to review and approve all new and renewed PAFs and LoAs and ensuring that all required approvals have been secured.

- The HR Director is responsible for ensuring compliance with NNMC hiring policies/procedures and compliance with all applicable Federal and State employment laws. The HR Director also confirms student enrollment and applicable fringe allocations.
- The Payroll Administer is required to enter all approved PAF and LoA information into the BANNER system.

#### Semi-Annual Process:

- The NNMC's Grants Manager will notify federal award principal investigators and program directors on a semi-annually basis (following confirmation from HR that all allocations for the prior period have been allocated) that time and effort certification are ready for certification. Currently the Grants Manager runs this report and distributes the reports in PDF format.
- After time and effort certifications have been signed by the faculty/staff member and his/her supervisor, the grant manager will review the certifications and ensure proper allocation of salary and fringe benefits per submitted PAFs and/or LoIs.
- Allocated fringe benefits will also be reviewed during the certification process and adjustments will be made if necessary to ensure the Federal program's 'fair share' has been properly allocated.

#### Annual Processes:

Most Federal awards require annual PAFs and LoIs be submitted by the Principal Investigators and Program directors per above. In some cases, Human Resources may determine that no change has occurred and allow, at their discretion, for PAFs and/or LoIs to be renewed with approval of the Grants Manager (allocated fringe benefits will also be reviewed at this time).

#### Cost Share/Matching Funds:

The time and effort reporting procures within this Guide also apply to salaries that have been designated as cost share/match for other Federal awards. Remember – to be allowable as match, a cost must be allowable as a grant charge. All requirements that apply to Federal and/or state grant funds also apply to matching funds.

## Retention of Records

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Northern, as a New Mexico state institution of higher education, is required to follow New Mexico Statutes Article 3- Public Records, 14.3.1 through 14.3.25, and all applicable state regulations providing retention and disposition schedules as outlined in NMAC 1.21.2-Retention and Disposition of Public Records. This is reflected in Northern's Administrative Policy 1.7-Records Management, which can be found at [https://nnmc.edu/wp-content/uploads/2014/03/1-7RecoresMgmt\\_000.pdf](https://nnmc.edu/wp-content/uploads/2014/03/1-7RecoresMgmt_000.pdf).

For federal awards, Uniform Guidance 2 CFR 200.333-Retention of Records and 2 CRF 215.53 Retention and Access Requirements for Records also applies. Uniform Guidance mandates that all financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report. However, if there is any litigation, claim, or audit that is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

## Additional Support and Guidance

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For compliance, fiscal, and budget guidance please contact the Office of Administration and Finance:

**Vice President of Administration and Finance**

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For assistance in grant proposal preparation and general grant questions please contact:

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