

Grant Accounting Policy

Western Illinois University Foundation

Effective Date: November 4, 2015

Responsible Departments: WIU Foundation

Applying for Grants

Application Procedures

Every department on campus at Western Illinois University (University) may apply for grants from corporations, governments, and other granting agencies. To begin the grant process, potential applicants must contact the Office of Sponsored Projects (309-298-1191). The Office of Sponsored Projects will review the grant application to determine if the Grant should be administered through the University or through the Western Illinois University Foundation (Foundation). Generally, a grant will only be allowed to run through the Foundation if the granting organization requires an applicant to have 501(c)3 not-for-profit status.

Foundation Grants

Once it is determined by the Office of Sponsored Projects that a grant is going to be administered in the Foundation, the Director of Campaign Support Services in the Development Office (309 298-1874) will assist in completing the grant application. The Director of Campaign Support Services will assist areas in obtaining information needed for completing grant applications, such as 501(c) 3 status letters, Certificates of Authority/Good Standing, tax exempt status, annual reports, financial data, etc. Grant applications will be reviewed and signed by the Executive Officer of the WIU Foundation (Brad Bainter) prior to being submitted. Please note, online applications will be entered and submitted by the Foundation Office (i.e. – the Director of Campaign Support Services); individual departments are not allowed to submit applications online, because only the Foundation Executive Officer has the authority to sign agreements on behalf of the WIU Foundation. For all grants, a copy of the completed application will remain on file with the Foundation Office.

Grant Defined

For the terms of this document, a grant is money provided by an outside organization with certain characteristics, including detailed spending restrictions and/or reporting requirements. The granting organization provides the funds based on a predetermined understanding regarding precisely how funds should be spent, and reporting about grant expenditures is required by the funder. Money provided with no reporting requirements that are designated for use by a certain department are not grants for the purpose of this document. In addition, a grant is not a loan that

requires repayment. The Foundation Accounting area will review each grant application in an effort to determine if the money should be booked as grant revenue or a general contribution.

Accounting & Accounts

Each department being awarded grant revenue will be responsible for ensuring expenditures from grant funds are in compliance with grant spending restrictions. As an internal control, Foundation Accounting will routinely monitor expenses to ensure compliance, as well as monitor grant reporting.

Accounts

Each department receiving grant funds will have at least one grant account on the Foundation books. Depending on the dollar amount of grants and activity of grants in an area, more than one grant account may be established. If only one grant account holds many accounts for an area, Foundation accounting will keep a spreadsheet to track revenue and expenditures in relation to each grant housed in an individual account. If a grant agreement requires the funds be maintained separately, an individual account will be created for the grant. Grant funds will be named in the following format on the Foundation books "GRANT – XXXXX." Documentation on grants will be stored in Laserfiche by fiscal year (WIU\WIU Foundation\WIUF - Audit Support\Grants) for viewing by Foundation Accounting and the Director of Campaign Support Services.

Compliance

Each area on campus is responsible for ensuring grant expenditures are in compliance with the grant proposal and approved expenditures. However, Foundation accounting will monitor expenditures on a monthly basis to ensure areas are, in fact, abiding by the terms of grant agreements.

Fiscal Agent

Each area is responsible for determining who should be the fiscal agent on their grant funds. As a general rule, the fiscal agent should be familiar with the terms of the grant agreement and should understand what expenditures are allowable under the grant.

Expenditures

Each area on campus is responsible for ensuring grant expenditures are in compliance with the grant proposal and budget and are approved grant expenditures. However, Foundation accounting will monitor expenditures on a monthly basis to ensure areas are, in fact, abiding by the terms of grant agreements. In addition to restrictions imposed by the granting agency, expenditures from grant funds must be in compliance with Foundation Expenditure Policy. Furthermore, when preparing a DPA for an expense to be paid from a grant, the name of the grant paying the expense should be noted in the comments section.

When an area plans to make a purchase in excess of \$1,000 in which funds will not be released to cover the purchase within a week (i.e. the goods are ordered rather than purchased and paid for immediately), Foundation Accounting must be made aware of the purchase so that an Accountant in Foundation can place an encumbrance on the funds. Encumbrances will be reversed after purchases are made. An Account Technician in Foundation Accounting will be responsible for the vouchering of all purchases.

Indirect Cost Recovery

On December 26, 2014, the White House Office of Management & Budget (OMB) released new federal regulations: "Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards," referred to as the Uniform Guidance, or UG. The new federal regulations will eventually supersede the requirements of previous OMB circulars. Per these new regulations, federal grants flowing through the WIU Foundation that require indirect cost recovery will be calculated at a 10% ICR rate. If a department calculates the cost recovery for a grant, computational support must be provided to and approved by Foundation Accounting. The funds received from cost recovery will be housed in Foundation Operating account 883115 for general use by the Foundation.

Reporting

Each area on campus will be responsible for their own grant reporting. However, they will be asked to provide a draft of the report to the Foundation Accounting area prior to it being filed. The Foundation Executive Officer will be the authorized signor on all such reports. Foundation Accounting will review the reporting and make changes where needed.

Recording Revenue

The Foundation Accounting area will review each grant application to determine if the money should be booked as grant revenue or as a straight contribution. If the Foundation does not view the funds as a "true" grant, the funds will be booked as a contribution, and no other entry will be made. If the funds are viewed as a true grant, the revenue will be booked in accordance with the terms in the remainder of this section.

Generally, grants will initially be recorded on the donor database as 0360 contribution revenue so that the donor gets credit. Once the donations are in the accounts on FRBR, the revenue will be moved via a journal entry from 0360 to a grant revenue sub-code. Entering the revenue into one of the following grant sub-codes will put the grants in a readily viewable location on the FBM095, which will allow for easy audit access for both internal and external auditing.

0330	LOCAL GRANTS/CONTRACTS
0340	PRIVATE GRANTS/CONTRACTS
0350	OTHER GRANTS/CONTRACTS

An exception to this method will be made for certain state and federal grants, which will not be entered into the donor database. For state and federal grants, a receipt entry will be made directly into of the following grant revenue sub-codes:

0310 FED GRANTS/CONTRACTS
0320 STATE GRANTS/CONTRACTS

Audit Requirements

Certain federal grants require what is known as a Single Audit. A Single Audit, also known as the OMB A-133 audit, is a rigorous, organization-wide audit or examination of an entity that expends \$500,000 or more of Federal assistance received (i.e. grant funds or awards). Single Audits usually must be performed annually for each year funds of \$500,000 or more are received from the Federal government. The audit involves both financial and compliance components, and areas receiving grant funds will be required to cover audit costs. The Single Audits must be submitted to the Federal Audit Clearinghouse along with a data collection form, Form SF-SAC. Foundation Accounting will work with your area and the audit agency to ensure complete and accurate information is provided for analysis.

In addition to federal grants, others grant funding agencies may also specifically require an audit of a grant funds. If the grant agreement requires an independent audit of grant funds, the area will be responsible for paying for the audit. Foundation Accounting will work with your area and the audit agency to ensure complete and accurate information is provided for analysis.

Certified as approved by the Executive Committee of the Western Illinois University Foundation Board of Directors on:

Date November 4, 2015

Marlin France
Marlin France, Secretary

References:

Review schedule: Every three years

Revision history: 08/18/2011 original policy; revised 11/4/2015