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SECTION F: STUDENT FINANCIAL RESOURCES

I. Overview

The Student Financial Resources section is intended to provide information on the responsibilities of the campus Business Offices and Systems Office Business Affairs with regard to receipt and distribution of student financial resources.

In order for the Business Office personnel to perform their function effectively, it is necessary to provide an overview of the financial aid programs available at Ivy Tech Community College (ITCC). Continuous and effective communication is vital between the campus Business Office and the Financial Aid Office staff to ensure proper disbursement and accounting are maintained for each student receiving financial aid.

II. Financial Aid Programs

The most common financial aid programs available at the College include:

Federal Student Aid (FSA/Title IV) programs

- 1) Pell Grant
- 2) Supplemental Educational Opportunity Grant
- 3) Federal Work Study
- 4) Federal Direct Loan Program

State programs

- 1) Higher Education Award
- 2) 21st Century Scholarship
- 3) Adult Student Grant
- 4) Workforce Ready Grant
- 5) Child of a Disabled Veteran Program and Public Safety Officer Supplemental Grant Program (CVO)
- 6) National Guard Grant

- 7) Mitch Daniels Scholarship
- 8) Fast Track State Incentive

Private funding programs:

- 1) Alternative Loans
- 2) Foundation Scholarships and Loans
- 3) 3rd Party Scholarships and Grants
- 4) Sponsored Programs/Grants

For more information on each program and its requirements, refer to your campus Financial Aid Office or access additional information on the ITCC website at

<https://www.ivytech.edu/payingforcollege/index.html>. For more information on Sponsored Programs/Grants, please refer to Section L of the FMM at https://www.ivytech.edu/files/Section_L_FMM_Updated_03.17.2020.pdf.

Fee Remissions

The College also provides assistance through the College Fee Remissions. Currently the College recognizes two (2) types of student fee remissions:

- 1) Employee Fee Remissions, which also includes Dependent and Spouse, may be used to pay for the College's general fees. Employee Fee Remissions are approved by Human Resources and routed to the associated campus business office for funds to be applied to the student account.
- 2) Discretionary Fee Remissions include funds allocated to a campus' operating budget from Systems Office Financial Aid and may also include funds allocated at the campus level. Discretionary Fee Remissions may be used to pay for the College's general fees as well as out-of-state tuition and in some cases other charges at the discretion of the campus financial aid and/or business offices. These funds are awarded and disbursed to student accounts by the Financial Aid Office.

Any excess awarded may not be remitted to the student or used to satisfy uncollectible accounts receivable.

III. Financial Aid Disbursement and Cash Management

The student's financial aid funds are awarded and disbursed to student accounts by the Financial Aid office using the Banner system. The Financial Aid disbursement feed generates a credit posting to each student's Banner account. Any amount remaining in the student's account after all charges have been satisfied is paid by the regular refund process as described below (also refer to FMM, Section G, Revenue Collection, Section H for details).

1) Using Financial Aid for Bookstore Purchases

In partnership with our campus bookstores, starting a few weeks before classes begin and ending just prior to posting federal financial aid, we compute bookstore credit lines using authorized financial aid less current term charges. Students must authorize their financial aid to pay bookstore charges in order to receive a credit line. The credit lines upload to the bookstores several times per day to capture registration and financial aid changes. A prior day sales file is received each morning from the bookstores and posted to student accounts. The sales amounts are balanced daily to a bookstore billing e-mail.

2) Paying prior-year charges

In general, FSA funds may only be used to pay for the student's costs for the period for which the funds are provided. However, a school may use current-year funds to satisfy prior award year charges up to a maximum of \$200.00 for tuition and fees provided by the school without obtaining the student's or parent's authorization. A student's or parent's authorization is needed if the maximum \$200.00 funds are to be used for educationally related goods and services provided by the school. A "prior year" is any award year or loan period prior to the current one, as applicable. As an example, a student returning for 2019-2020 could use up to \$200 to pay charges from 2016-2017.

3) Other assessed fees

FSA Funds are only allowed to be applied to a student's educational program related costs. Therefore, other fees such as late fees, penalty fees, finance charges, payment plan setup fees, reinstatement fees, returned check fee and overtime charges are not allowable charges and

therefore cannot be paid with Title IV funds--not even with the student's written authorization to do so.

4) Overpayment(s)

All overpayments of financial aid must be identified by the Financial Aid Office and collected by the Business Office. It is the responsibility and liability of the student to repay any overpayment. An overpayment may be collected by reducing the student's next term award. In addition, the College is also liable for an overpayment due to an administrative error. If an overpayment cannot be collected from the student, the College must repay those funds to the appropriate program. This amount will be charged to the campus Operations Fund. If not at fault, the College must assist the Department of Education in collection of federally awarded monies for 45 days.

5) Emergency Aid

There are situations that may arise where emergency aid for students is necessary. The source of such aid can vary from Federal, State and local agencies or in house college funding. The procedures for processing such aid varies and requires thorough communication between the Business Office and Financial Aid Departments, ensuring all parties are kept aware of any changes to students' resources and the college remains in compliance with all policy and regulations.

Title IV Funds Processing

The College has developed processes for cash draw-downs and reconciliation of FSA funds. These processes include specific duties and functions independently performed by the Cash Management and Accounting departments within Business Affairs. The Cash Management department creates a draw down request and submits it to Accounting staff authorized to draw money from the G5 system, who performs the actual draw request using the Federal G5 System. Those authorized individuals are independent of the process to determine how much to draw. Once the funds are received, Cash Management processes a cash receipt form to document receipt into the Banner Finance module. In addition, since the College relies on Banner to determine the amount of FSA draws and account balances, upgrades to the system are thoroughly tested and reviewed by the College's IT staff and designated appropriate system

operators. Each month there are reconcilements completed for all Federal and State financial aid. The reconcilements are completed and then they are reviewed by two separate staff members within the Cash Management department. The Direct Loan Reconcilements are completed and reviewed in the Financial Aid Department by two separate staff members within the department.

Direct Loan Disbursement Right to Cancel – The school is required to notify students in writing of their right to cancel all or part of their student loan disbursement once funds are credited to their account. An automated e-mail is sent to students notifying them of their right to cancel.

For all guidelines and regulations pertaining to Title IV funds processing, please refer to the Federal Student Aid Handbook at <https://ifap.ed.gov/ilibrary/document-types/federal-student-aid-handbook>.

State Aid Funds Processing

Indiana State Aid is awarded and disbursed to students by the financial aid office. The Cash Management Department in the Systems Office is responsible for filing claims with Indiana Commission for Higher Education (CHE) for payment and subsequent reconciliation of funds disbursed to students with funds received by CHE. Information Files and Claim Files are downloaded from the CHE online database system, ScholarTrack, as needed throughout the semester. Systematic processes have been created with IT Development to use these files to compare to disbursements made to students in Banner and generate claim files used to upload to ScholarTrack for payment. CHE processes new claim files, usually on a weekly schedule, throughout the year depending on activity levels. Systems Office Cash Management department uses data from Banner and ScholarTrack to reconcile Banner with ScholarTrack on a monthly basis.

Third Party Resources

There are various third party resources such as scholarships and contract payments as well as tuition waivers that students may qualify to receive. Third-party scholarships are scholarship funds received from external donors. The external donor is responsible for selecting scholarship recipients, determining the amount of the award and how the funds may be used (tuition, fees, books, etc.). When these resources are applied to student accounts by the Business Office, they

are responsible for notifying the Financial Aid Office of the additional resources so that they may be included in the student's potential financial aid package and prevent an over award situation. Unused third-party scholarship funds should either be returned to the donor or refunded to the student within a reasonable time, not to exceed 12 months from the date funds were initially posted to the student's account.

Military Invoicing

GoArmy ED, Air Force, MyCAA Military Invoicing

The Systems Office Cash Management Department is responsible for invoicing student Tuition Approved (TA) courses for students associated with these military branches (including Air Force spouses- MyCAA). At the beginning of the semester, the Systems Office Financial Aid Office sends student information and approved amounts to Cash Management to be linked to the appropriate military contract ID on Banner. At the end of the semester, the invoice is prepared using the GoArmy ED and Air Force online portals.

Navy, Marines, Coast Guard

Invoicing for these military branches for approved student TA courses is handled through the iRAPT system by the student's respective home campus.

Foundation Scholarship Billing

Various student scholarships administered by the Ivy Tech Community College Foundation are awarded to attending students each semester. The billing process is handled by the Systems Office Cash Management department. The Foundation's Executive Director or Director of Finance and Administration requests a scholarship invoice to be produced by the Cash Management department. This automated process produces a report containing student name, ID number, campus, scholarship name and amount, and campus totals. The Foundation then issues a check payable to the College for the specific semester's total amount awarded to students. In the billing process, the prior two terms are also reviewed and any adjustments needed are included.

IV. Student Refunds

FSA (Title IV) Credit Balances

A Title IV credit balance occurs whenever the amount of Title IV funds credited to a student's account for a payment period exceeds the amount assessed the student for allowable charges associated with that payment period. If FSA disbursements to the student's account at the school create an FSA credit balance, the credit balance must be paid directly to the student or parent as soon as possible but no later than 14 days after a.) the first day of class of a payment period if the credit balance occurred on or before that day; or b.) the balance occurred if that was after the first day of class. An exception to this 14 day requirement would be if a student's account is under review for Return of Title IV funds (R2T4) due to withdrawal from courses during the term.

MC Holds

MC (Manual Check) holds are used by the Business Office to prevent a refund from being automatically flagged for release. Accounts with MC holds should be reviewed for eligibility before the refund is released. Examples of situations where an MC hold may be applied include, but are not limited to: pending financial aid adjustments, return of Title IV funds calculations, third-party contract payments. The Business Office is responsible for maintaining these holds, ensuring they are cleared when no longer needed. Unless the hold is for a pending R2T4 review, the refund must be released within five days if the refund is for Title IV funds in order to allow enough time for all required communication between ITCC, Bank Mobile and/or student while remaining compliant with the 14 day requirement.

VOIDS and Stop Payments

If a student refund needs to be voided and funds reapplied on the student's account, the campus business office will void the invoice number and e-mail the Systems Office Cash Management Department to reapply the funds to the student's account.

Any student refund check which needs to have a stop payment placed on it must have the student and check information on a Stop Pay form and e-mailed to Systems Office Cash Management Department. Please have the following information on hand: Region Number, Check Number, Check Date, Student ID, Requested by, Check Amount, Term, and the reason for the Stop Payment. A stop payment will not be placed on a check until ten days after issuance. The Stop Pay form can be found online at <https://wwwcc.ivytech.edu/employee/infonet/forms.html>.

Returned Student Refunds

Student refunds may be returned to ITCC for various reasons, such as returned check timeout, stale check, ACH timeout, recipient unknown, bad address, etc. Refunds are returned via whichever method the refund was originally distributed (Bank Mobile ACH or paper check). Bank Mobile sends out a daily report of refunds returned to ITCC. The funds are posted back to the student account and the report uploaded to a database. Campus Business Offices are notified of returned refunds to contact students to select a Bank Mobile refund preference or update account or address information. Two of the more common types of returned refunds are:

- A. Financial Aid refunds - If an EFT to a student's or parent's financial account is rejected, or a check to a student or parent is returned, a school may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the EFT was rejected or the check returned. In cases where the school does not make another attempt, the funds must be returned to the Department before the end of this 45-day period. The school must cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check. All unclaimed credit balances must be returned—there is no minimum amount. If a current address is not obtained or a Bank Mobile refund preference is not selected, the funds are reported to Systems Office Financial Aid and returned to the Department of Education. Refunds can only be released one term prior to the current term, and the returned funds cannot be applied to a future term balance.
- B. Non-Financial Aid refunds - The majority of Ivy Tech students live in Indiana, which is a three year dormancy state. These returned funds will be sent to Indiana Unclaimed Property if a current address cannot be obtained.

V. Tax Implications

Ivy Tech is required to issue IRS Form 1098-T, Tuition Statement, which reports payments received for qualified tuition expenses during the calendar year. Forms are generated and delivered by third party using a data file created by the Banner system after testing has been completed by Cash Management along with IT Development staff. Forms are delivered via US Postal Service or electronically, if student has opted in for electronic delivery. All forms are available to student electronically via their Ivy Tech portal and the third party online website.

For additional details on IRS Form 1098-T requirements and regulations, please refer to FMM, Section C, Tax Manual Section IV.

Reviewed June 17, 2020

L. SPONSORED PROGRAMS

I. Overview

Authority to execute or to delegate authority to execute contracts and written agreements is held by the President of Ivy Tech Community College, with the exception of those contracts which require Board of Trustee or other outlined approval. Grants and contracts for restricted purposes usually involve a formal written agreement and unless so designated require the signature of the President or a designee in accordance with FMM Section J.III.L for signature delegation for contracts.

The types of grants, contracts, and agreements include those for which organizations external to the College have resources that can be made available to support the instructional, research, or public service function of the College. These programs are established in restricted College accounts and are designated as "Sponsored Programs."

These funds are expendable for operating purposes, but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. The distinction between the balances of externally restricted and internally designated, but otherwise unrestricted funds, must be maintained in the accounts and disclosed in the financial reports. The circumstances and evidence relative to restrictions may not be clear and may require the advice from General Counsel, management and independent auditor judgment, insight, and discretion. Technical and administrative responsibilities assumed by the College in relation to sponsored programs are complex. Acceptance of funds for these programs is accompanied by a requirement of strict accountability. In addition to the agency/sponsor requirements, College staff working with grants must be cognizant of the many areas of the College in which a grant will interact. Relevant departments and offices should be kept apprised and consulted with as grant proposals are developed and sponsored programs implemented.

Sponsored programs will be established via signed contracts, grants, cooperative agreements, or memorandums of understanding. These projects may be sponsored by governmental (federal, state, or local government entities) or non-governmental entities (foundations, corporations, and other agencies).

Sponsored program funds relate to the specific grants, contracts and agreements between the College and external "Public" governmental entities, or "Private" organizations or individuals funded for the particular restricted purpose specified. Each of these individual programs

is categorized by fund, according to the governmental entity or type of private organization that has entered into the agreement with the College.

It is important to note the primary differences between a grant and a gift. A gift represents a 'contribution' which is voluntary and non-reciprocal. A gift generally contains no reporting requirements, and is for an unspecified period of time. Grants or Contracts or Agreements are defined as a signed contract or agreement which provides for the expenditure of funds for a stated purpose with a period of performance and with reporting requirements. In most cases the distinction is clear, but in times when the distinction is not clear, sponsored program accounting staff can help to appropriately deposit and track the revenue. Ivy Tech Community College manages grants under the Office of Management and Budget's Uniform Guidance. This guidance, while strictly applicable to federal awards, also shapes many of the College's policies for all of its grant management practices.

II Pre-award

Roles & Responsibilities

There are several key campus and Systems Office staff who are involved in Sponsored Programs projects. The below list explains those roles.

Foundation Grants Development Office / Systems Office Foundation Grants Development Office: Responsible for assisting campus and Systems Office staff with identifying funding opportunities, coordinating grant writing and proposal development assistance, and engaging appropriate College and community partners. The Foundation Grants Development Office reviews proposals in accordance with the review policy, and in collaboration with the Campus Development Office, in collaboration with the Campus Development Office, obtains all appropriate College and Foundation approvals. More specifically, the Foundation Grants Development Office assists with reviewing and creating narratives, developing budgets, answering budget questions, reviewing, and creating logic models, assisting in the establishment of attainable metrics, and providing standard College information (i.e., UEI and EIN numbers, financial statements) during the proposal preparation phase.

Campus Development Office: Serve as the first point of contact at each campus for all College and Foundation proposal submissions. Develops proposals including budgets, narratives, logic models, and other required documents that are specific to proposals for their assigned campus.

Sponsored Programs Office / Systems Office Sponsored Programs Office: Responsible for reviewing proposals based on the review policy and assisting campus and Foundation Grants Development Office with questions prior to submission. The

Sponsored Programs Office staff answer questions about general and Sponsored Programs Office specific Ivy Tech policies and procedures prior to submission. They also ensure compliance is maintained during and once the proposal is awarded. This includes, but is not limited to, the review of narratives, budgets, metrics, and logic models for accuracy and compliance. The Sponsored Programs Office submits all federal proposals on behalf of the College and Foundation.

Project Director: The Project Director (PD) should be identified in the pre-award process. They are responsible for thoroughly examining proposal opportunities and evaluating the impact such a proposal may have on other areas of the College; examples of such areas include Academic Affairs, Information Technology, Financial Aid, Student Affairs and Facilities. In addition, the Project Director must understand the terms of the proposal as well as applicable regulations associated with the funding agency and commit to full participation throughout the entire life cycle of the program. In coordination with the Campus Development Office, the Project Director is responsible for writing and/or compiling from others the proposal narrative, developing objectives, establishing implementation timelines, developing partnerships, etc. If a Project Director is not identified at the time of the project, it is the responsibility of the campus development team to complete these responsibilities.

Business Office (EDF/EDA or Grants Finance Designee): Executive Director of Finance (EDF) / Executive Director of Administration (EDA) or Grants Finance Designees (GFDs), Campus Development Office (or similar business office staff with grant oversight) and Project Directors are responsible for oversight of the preparation of the grant proposal packet, including a budget and acquisition of the signature(s) on the Proposal Pre-Approval Form from their Chancellor or designee, Project Director and EDF/EDA or designee.

Identification of a Sponsored Program Opportunity

Ivy Tech Foundation and Ivy Tech employees are encouraged to seek out opportunities for funding through the award of a Sponsored program. Discovery of such opportunities may occur through existing relationships, networking events and public relations efforts, online tools and resources designed to identify prospective awards, and all other methods that allow the College to pursue funding. If appropriate, the Ivy Tech Foundation shares opportunities based on the parameters of the Sponsored program with the applicable Campus Development staff and/or Systems Office.

All funding opportunities and the Sponsor's mission, however, must be in alignment with Ivy Tech's strategy to achieve its mission, outlined in the Strategic Plan located at <https://www.ivytech.edu/about-ivy-tech/college-operations/strategic-plan/>.

Evaluation of a Sponsored Program Opportunity

While the identifier of the award at the campus or Systems Office and his/her supervisor must apply proper judgment in determining whether Ivy Tech should pursue an opportunity, it is the responsibility of applicable personnel in the Foundation Grants Development Office and Campus Leadership or their designee, in conjunction with the Campus Development Office, to determine whether the opportunity is aligned with the College's mission before any additional tasks should be performed.

For Private / Higher Education Grant Proposals \$100,000 and over, State, Federal, Federal pass-through and / or International Funding, the decision by the Foundation Grants Development Office and Sponsored Programs Office to pursue a Sponsored program must be made prior to development of the formal proposal. A review of the type of proposal and award should occur at this time. In the definitions section of this policy, "Sponsored Programs" are outlined with specific requirements. Determining whether a proposal is a Sponsored Program (or grant) versus a gift, should be finalized through the evaluation period.

Foundation Grants Development Office

The Foundation Grants Development Office may perform the following additional analyses to determine whether to proceed with the proposal:

Project Director Evaluation

The Foundation Grants Development Office uses pre-established evaluation criteria to determine the merit of the Project Director. Evaluation factors considered include but are not limited to employment status, time commitment, resource availability, supervisor's support, prior Sponsored programs experience, successful completion of required training, and up to date conflict of interest certification. It is strongly encouraged that Project Directors are named at the time of a proposal. If they are not, it is the responsibility of the campus Development Director to assume the responsibilities of Project Director until another is named.

Once the analysis and evaluation are complete, the Foundation Grants Development Office notifies the Executive Director of Development of the decision. The decision notification, cost benefit analysis, and Project Director evaluation, with applicable support and the original program documentation, is retained in the Foundation and campus proposal files as appropriate.

Proposal Preparation

For funding opportunities that are approved for pursuit, the Foundation Grants Development Office manages the proposal preparation. This process also involves personnel across the College. Participation in these efforts may include the Project Director, Campus Development

Office, and/or other members of the Sponsored Programs Office. Assistance in assembling a proposal is separated by type of proposal, campus, or Systems Office:

- Campus Proposals: Foundation Grants Development Office, Campus Development Office, and Campus Grants Finance Designee (Budget)
- Systems Office Proposals: Foundation Grants Development Office and Systems Office Grants Finance Designee (Budget)

The College must develop the proposal in compliance with (i) specific instructions stated in the program documentation and (ii) applicable guidelines implied from federal, state, and local regulations and (iii) all College Policies and Procedures. For programs in which a 501(c)(3) organization is required, the applicant must be the Foundation. Failure to adhere to the instructions outlined in the funding notification could eliminate a proposal from Sponsored Programs Office and Foundation Grants Development's approval.

The proposal format is generally dictated by the Sponsor's solicitation for a proposal. These solicitations will typically include all the information needed in the proposal, including formats for budgets, timelines, and narrative. The Foundation Grants Development Office, Campus Development Office, Sponsored Programs Office, and Project Director share the responsibility of reviewing the funding agency guidelines to:

- Determine allowable costs and ensure they are sufficiently budgeted in the required categories.
- Evaluate if the proposal addresses the application requirements.
- Facilitate required project reporting.

Systems Office Proposal Policies: The following sub-sections communicate required Sponsored Programs Office (SPO) policies and guidelines for College and Foundation grant proposals. When developing a proposal, campus and Systems Office staff should work directly with the Foundation Grant Development Office (GDO) and campus Executive Directors of Development (EDD) but should follow SPO proposal sub policies. The SPO uses a pre-award checklist that may be used as a guide when reviewing proposals. It is recommended that the tool be used as a guide to develop the strongest proposals possible.

Performance Measures/Metrics/Logic Models/Evaluation Plans

Some proposals require performance measures, metrics, logics models, and/or evaluation plans. These items should be carefully developed between the campus or Systems Office grant writer, the campus Executive Director of Development, and the Foundation Grant Development Office. Sponsored Program Office staff review these items closely for compliance.

The Sponsored Programs Office recognizes the differences between data collection and program evaluation plans. Data collection sections of proposals include metrics, performance measures, and logic models. These sections should:

- Include realistic goals that tie to the narrative section of the proposal.
- Data collection methods should be obtainable within the performance period.
- The proposal should have a clear delineation between an output and an outcome.
 - An output is something created due to the project activities.
 - It is typically a count of something (i.e., number of students who attended a class, number of books purchased for the book drive).
 - An outcome is a change in knowledge, skill, or behavior because of the output. Examples include an increase in graduation rate or an increase in math proficiency.
- Finally, the proposal should communicate the type of data collection tools the project will use, how much data is being collected, and who will assist in evaluating the data.
 - If a third party will collect data or data is shared with an external party, Ivy Tech's data sharing agreement must be signed and submitted with the proposal.

Program evaluations often have specific instructions in the proposal application guidelines. The Sponsored Programs Office uses those instructions to review proposals for compliance. Program evaluations should:

- Have realistic timelines,
- Evaluate the effectiveness of the program,
- And include stakeholders at a minimum.

The Project Director is responsible for tracking and maintaining data that documents progress towards these goals if the proposal is awarded. Additional information on that role is available in the Post Award policy.

Budget Development

The proposal budget is developed with the Campus Grants Finance Designee and Campus Development Office. The Foundation Grants Development Office is available to assist Systems Office Project Directors with multi-campus, statewide proposals to ensure coordination between campuses and Systems Office budget needs.

The Sponsored Programs Office has requirements for proposed budgets based on the line-item type, match, and other College policies. Significant requirements are listed below based on sections of the budget. Additionally, SPO uses a pre-award checklist during proposal review that may also serve as a guide when creating a budget.

General Requirements:

In general, proposal budgets must:

- Adhere to the Sponsor proposal instructions and guidelines.
- Be clear, precise, realistic, and consistent in relation to the proposal's narrative.
- Include details for each item requested, including formulas where applicable:
 - i.e., \$500 for supplies: \$50/month * 10 months = \$500/year
- Include items in the budget necessary for the project's success and justified in the budget narrative.

If the proposal has any of the below line items, the listed requirements must be included:

- Personnel:
 - Salary and related fringe benefits for Ivy Tech staff funded by the award/subaward should be listed here.
 - *Refer to the Pre-Award Checklist for current guidelines about how to incorporate costs related to annual raises and fringe benefits.*
 - Note: Personnel charges related to a subaward agreement *issued by the College* are included in the Subaward budget and line item, not in the Personnel section.
 - Note: Project Directors should be identified in the budget at the time of the proposal submission unless staff are being hired. If staff are being hired, that should be explained in the narrative of the proposal.
- Equipment
 - All proposed items that cost \$3,000 *per item* or more should be listed here.
 - NOTE: Some Sponsors may have a different threshold for Equipment, e.g., \$5,000 for the federal threshold. Follow the College policy of \$3,000.
 - Items included in this section must follow the College asset policies below:
 - [Policy Management - Ownership, Capitalization, and Depreciation \(service-now.com\)](#)
 - [Policy Management - Asset Tagging, Transfers, and Inventories \(service-now.com\)](#)
 - [Policy Management - Asset Disposal \(service-now.com\)](#)
 - Facilities should be contacted prior to adding equipment on a proposal. A check of this is included on the Proposal Pre-Approval Form. To avoid confusion, it is best to communicate that coordination in the narrative.
- Supplies
 - Supplies and materials that cost \$3,000 or less *per item* should be listed here.

- Technology such as computers/laptops/iPads should be specifically and separately identified from other supplies.
- Contractual
 - All proposed contractual services should be listed here.
 - Specific contractors **should not** be named in a proposal unless the Campus/Systems Office has first received approval per College procurement policies.
 - Refer to [Policy Management – Non-Construction: Competition and Sourcing](#) for non-construction procurement.
 - Refer to FMM Section J: Procurement on College policy for construction procurement.
- Travel
 - Local, in-state, or out-of-state professional development opportunities or other travel should be listed here.
 - Be aware that membership fees affiliated with conference travel are generally not allowable expenses.
- Indirect costs:
 - All proposals that allow for *full* indirect costs must adhere to the College's Negotiated Indirect Cost Rate Agreement (NICRA).
 - Refer to Proposal Pre-Approval Section of this policy if the indirect costs must be waived per the Sponsor or if the allowable maximum rate is less than the rate outlined in the College's NICRA.
 - Refer to the NICRA/F&A section below for additional information.

Match Requirements:

It is the policy of the College to only commit match when it is required or highly encouraged, as outlined in the funding notice, or otherwise provided in writing by the Sponsor. All match must be documented, and the proposal should meet only the minimum match requirements by the Sponsor. It is a rare case where the Sponsored Programs Office allows a proposal to move forward with a budgeted match higher than the Sponsor minimum. In those cases, the Grant Writer must have documented approval from the Executive Director of Sponsored Programs & Grants Compliance prior to submitting their proposal for review.

When a proposal is submitted at the 2-week deadline, the following documentation must be included in the proposal review packet:

- Type of match (i.e., cash or in-kind)
- Amount of match by type (Ex: \$50,000 in cash, \$50,000 in in-kind)
- Source of match (College general funds, community partners, external funding)
- Documentation that match source is secured.

- Internal match includes documentation that the campus budget has the funds included for the performance period.
 - A letter from the campus Chancellor will suffice unless otherwise required by the Sponsor.
- External match must be documented separately and included in the proposal review packet submitted for the Foundation Grants Development Office and Sponsored Programs Office by the 5-day deadline.
 - Documentation includes signed letters or MOUs from the source of match.
- Note: Federal funds cannot typically be matched with other federal funds.

Unrecovered indirect costs are allowed as match when specifically permitted by the Sponsor and are documented in the budget based on the F&A rate and allowable direct costs.

If the proposal is awarded, the Project Director will be responsible for tracking cost share commitments with assistance from the Campus or Systems Office Grant Finance Designee and Sponsored Programs Office.

Indirect Costs (Facilities and Administrative Costs)

If the funding opportunity allows for indirect costs, the College policy is to request the full negotiated indirect cost rate on a budget proposal, no matter the type of funding.

The College uses a negotiated F&A rate approved by the Department of Health and Human Services (DHHS). Sponsored Programs Accounting is responsible for negotiating this rate with the DHHS. When a rate is updated, the SPA will communicate the new rate and how it affects proposals and awards prior to the rate start date. The current rate can be obtained from the campus business office, Grants Development Office, or the Sponsored Programs Office.

The predominate portion of projects/grants should utilize the on-campus rate. The off-campus rate should only be used when more than the on campus IDC rate (i.e., 53%) of the project is performed off campus (any building owned/operated by Ivy Tech Community College of Indiana).

In cases where the Sponsor does not allow for the College's full F&A rate to be used, written documentation is required to be submitted with the proposal packet and saved in the grant file. Documentation can include guidelines listed in the funding notice, in a Sponsor Q&A related to the funding notice, or an email exchange with the Sponsor.

In cases where the Sponsor has two options for indirect costs, then the College requires the higher rate be selected.

If the Sponsor allows indirect costs but a campus/Project Director wishes to waive the collection of all or a portion of F&A/IDC costs, approval must be secured from the Senior Vice President for Business Affairs & CFO, Treasurer, or designee. Please review the Pre-Approval section of this policy for more information on that process. Waiver requests should be a rare occurrence.

If the Sponsor requires information surrounding the need for the IDC rate is needed, the Foundation Grants Development Office or Sponsored Programs Office can provide additional support.

Facilities and Administrative F&A/IDC) cost recovery will generally be divided between campuses (60%) and Systems Office (40%). The Systems Office recovery is limited to a cap generated by the Sponsored Programs Office and demonstrates an approximate cost in managing grants in the Systems Office.

Routing a Proposal for Review

Chancellor Approval

Campus Development team members must obtain email approval from their Chancellor (or designee) prior to beginning work on a grant application. The email should be shared with the Grant Development Office for their records for all levels of grants.

Campus & Systems Office Review: Proposal Pre-Approval Form

Campus generated proposals require a review prior to submitting to SPO and the GDO. All prior review types are documented using the Proposal Pre-Approval Form. The form is a template in DocuSign that will guide the initiator through the process. The preparer of the proposal/application packet must be independent of the reviewer / approver. All parties involved must remain in communication to resolve discrepancies, evaluate concerns, and ensure timely submission of the proposal. The completed Proposal Pre-Approval Form is due with the other proposal documents at the 5-day mark.

Within the Proposal Pre-Approval Form, the following additional approvals may be required to proceed with the proposal:

- If the Campus or Systems Office staff would like to request to waive or lower the indirect cost rate on the proposed budget compared to the College's approved Negotiated Indirect Cost Rate Agreement (NICRA), the Senior Vice President for Business Affairs & Chief Financial Officer's written approval is required.
 - To request a waiver, the Executive Director of Finance/Executive Director of Administration should email the Executive Director of Sponsored Programs with the request to waive or lower the indirect cost rate.

- The email should include the dollar amount of indirect costs requested to be waived and a justification and any documentation as to why the request should be approved.
- Waiver requests should be a rare occurrence and the justification must be specific to how it supports the success of the proposed project.
- Waiver requests do not need to be submitted when there is documentation from the funder noting a specific indirect/admin cost rate is required of their funding. In those cases, the documentation should be shared with SPO and GDO at the time of the proposal submission.
- For more information about the College's Indirect Cost Rate, please review that section later in this policy.
- If the fund opportunity contains international sources of funding, including pass through, the funding must be approved by the Foundation Grants Development Office and the Sponsored Programs Office. In those cases, the Pre-Proposal Section of the Grant Pre-Approval Form must answer all the following questions for the Sponsored Programs Office Grants Officer's review:
 1. What is the source of international funding? (Government, Non-Governmental Organization ("[NGO](#)"), individual, etc.)
 2. What is their legal name and address?
 3. Has the College and/or the Project Director worked with this funder in the past?
 4. What is the amount requested?
 5. What are the goals of the funds?
 6. What restrictions are included on the funds?
 7. Will this funding be used as match for another award?
 8. Is the proposal budget in US Dollars or the foreign currency?
 9. Will the contract be in US Dollars or foreign currency?
 10. Does the international entity have other resources we can review (i.e., application website, audited statements)? If yes, provide.

The Sponsored Programs Office Grants Officer reviews and analyzes the information provided on the form and during the review process to determine whether to proceed with the proposal. The Sponsored Programs Office Grants Officer discusses their determination and notifies the Executive Director of Development and the Foundation Grants Development Office of the final decision. All Sponsored Programs Office's decisions and the international funding sources must be documented and disclosed in writing and retained in the Sponsored Programs pre-award compliance files.

The State of Indiana and federal governments have standards for international funding that must also be followed. The SPO Grant Officer and Executive Director will work together to communicate and document proposals that meet those thresholds on behalf of the campus and Foundation.

Required Review & Approvals: SPO & GDO

Grant proposals written on behalf of Ivy Tech Community College and/or the Ivy Tech Foundation require review by the campus Development Office and the Systems Office GDO and SPO. The funding type and amount requested will determine the level of internal review and subsequent approvals required prior to submission. The only grant proposals that do not require a review by the GDO AND SPO are privately funded grants under \$100,000. GDO will still review private/Higher Education proposals from \$30k-\$99,999. Private/Higher Education proposals that fall below \$30,000 do not require a review but should still be submitted to the GDO for their files.

The following table outlines all review requirements.

| Prime Sponsor Type | Foundation Grants Team | Director Grants Management | Executive Director of Sponsored Programs & Grants Compliance | AVP of Grants Management & Project Implementation | SVP of Business Affairs & Chief Financial Officer |
|--|-------------------------------|-----------------------------------|---|--|--|
| Federal | X | X | X | X | X |
| State | X | X | X | X | X |
| International Funding | X | X | X | X | X |
| Private/Higher Education \$0-\$29,999 | | | | | |
| Private/Higher Education \$30k-\$99,999k | X | | | | |
| Private/Higher Education \$100k+ | X | X | X | X | X |

**Private grant proposals under \$100,000 will no longer require Systems Office SPO and GDO pre-approval and review as of July 2023. The GDO team will still review private proposals from \$30k-\$99,999k. GDO will require a copy of the final, completed proposal submission for grant tracking purposes of any proposals that do not require a review. The campus is also required to complete a Proposal Preparation Form (Grant Pre-Approval Form) for all proposals, no matter the threshold.*

*** Concept papers and letters of intent will no longer require Systems Office SPO and GDO preapproval and review as of April 2022. The GDO team will still require a copy of the final letter or concept paper for grant tracking purposes.*

Proposal Submission Timeline

The SPO has clear timelines that must be followed to ensure adequate proposal review, approval, and submission. The Ivy Tech Foundation Systems Office Grant Development Office (GDO) also has guidelines, policies, and deadlines that staff and faculty should be aware of when submitting a grant proposal. It is the responsibility of staff and faculty involved in proposal writing to understand these requirements. No grant proposal will be submitted on behalf of the College or Foundation without following the detailed policy below. The only exception is privately funded grants under \$100,000 (see table above).

Two-Week Deadline:

Final Draft Review Application packets for all private grant proposals over \$100,000 and all State, Federal, International, and Federal pass-through proposals must be submitted to the SPO and GDO staff by **EOB two weeks (14 calendar days)** prior to the Sponsor's grant deadline.

If Ivy Tech is the lead recipient, the application packet must include the following grant application materials:

- (1) Request for proposal (RFP), Notice of Funding Opportunity (NOFO), and/or application instructions.
- (2) Final draft proposal narrative, budget, and budget narrative
 - (a) If the funder does not require a budget, the SPO still requires a budget to understand how funding will be spent.
 - (b) All materials should be presented as a final draft.
 - (i) Incomplete proposals with missing data, narrative, or budget information may not be accepted.
- (3) Draft documentation of match (if applicable)
 - (a) Internal/College match: Letter from Chancellor
 - (b) External match: Letter from partner, signed MOU.
- (4) Draft letters of support (if applicable)
- (5) Lowered indirect cost communication (if applicable)
 - (a) Waiver process or documentation from Sponsor initiated.

- (6) Other required application materials as determined by the Sponsor (i.e., logic model, position descriptions, etc.)
- (7) Data sharing agreement draft (if applicable)
- (8) Sub-recipient forms (i.e., commitment form; application) (if applicable)
- (9) Documentation of procurement (if applicable)

If Ivy Tech is a sub-recipient of another entity, the application packet must contain:

- (1) Request for proposal (RFP), Notice of Funding Opportunity (NOFO), and/or application instructions.
- (2) Final statement of work, budget justification, budget narrative.
 - a. If the funder does not require a budget, the SPO still requires a budget to understand how funding will be spent.
 - b. All materials should be presented as a final draft.
 - i. Incomplete proposals with missing data, narrative, or budget information may not be accepted.
- (3) Draft documentation of match (if applicable)
 - a. Internal/College match: Letter from Chancellor
 - b. External match: Letter from partner
- (4) Draft letters of support (if applicable)
- (5) Lowered indirect cost communication (if applicable)
- (6) Waiver process or documentation from Sponsor initiated.
- (7) Data sharing agreement draft (if applicable)
- (8) Other required application materials as determined by the Sponsor (i.e., logic model, position descriptions, etc.)

The materials must be sent to the following staff in one, combined email:

- (1) Systems Office Foundation GDO Staff
- (2) Systems Office SPO Executive Director of Sponsored Programs & Grants Compliance
- (3) SPO Senior Grants Officer
- (4) Campus or Systems Office Grants Finance Designee (GFD) or other Grant Staff
- (5) Campus or Systems Office Project Director (PD)

During the initial two-week review, the GDO team will typically initiate the review and routing process. After their review, the SPO team reviews and monitors compliance with Sponsor regulations and Ivy Tech’s policies and procedures. This two-pronged review ensures the grant proposal complies, is high-quality, and complete.

| GDO Review Includes: | SPO Review Includes: |
|--|--|
| Realistic and attainable metrics, goals, and key deliverables. | Realistic and attainable metrics, goals, and key deliverables. |

| | |
|---|---|
| Proposal completeness in line with RFP and application instructions. | Budget obligations, match requirements, indirect calculations, and fiscal compliance. |
| Comprehensive proposal review (i.e., flow, demonstrated need, data, spelling, and grammar). | Potential risk to the College. |
| Budget and narrative overview. | Compliance with Sponsor regulations and Ivy Tech FMM policies and procedures. |

Once the initial review is complete, the GDO and SPO will provide feedback to the campus or Systems Office team leading the proposal. The team will incorporate edits and will send the completed, final proposal for the final review using the detailed policy below.

One-Week Deadline:

All private grant proposals over \$100,000 and all International, State, Federal, and Federal pass-through proposals must go through a final review. These proposals must be submitted in the complete, final form to SPO and GDO by **EOB one week, five full business days**, prior to the Sponsor's grant deadline. SPO defines final versions as 100% complete with no outstanding comments, missing data elements, or unfinished sections.

The complete, final application packet must include the following required materials:

- 1) Final proposal narrative (if Ivy Tech is the lead recipient)
 - a. Clean, formatted, complete application packet (e.g., no comments or track changes, no missing data, or other information, etc.)
- 2) Final budget and budget narrative (if Ivy Tech is the lead recipient)
- 3) Final Scope of work, budget, budget justification (if Ivy Tech is a sub-recipient)
- 4) Final/executed documentation of match (if applicable)
 - a. Internal/College match: Email from Chancellor
 - b. External match: Letter from partner
- 5) Signed letters of support (if applicable)
- 6) Documentation of lowered indirect costs (if applicable)
 - a. Waiver processed finalized, email shared with submission or
 - b. Sponsor documentation shared in submission.
- 7) Approved exception request documentation (if applicable)

- 8) Other required application materials as determined by the Sponsor (i.e., logic model, position descriptions, etc.)
- 9) Executed data sharing agreement (if applicable)
- 10) Sub-recipient forms (i.e., commitment form; application) (if applicable)
- 11) Documentation of procurement (if applicable)
- 12) Completed Grant Proposal Preparation Form (Grant Pre-Approval Form: Routed via DocuSign)
 - a. Please note: Statewide multi-campus grants must include approvals from each campus EDF/EDA or designee and the Executive Director of Development or designee.

The complete, final application packet must be sent to the following staff in one, combined email:

- 1) Systems Office Foundation GDO Staff
- 2) Systems Office SPO Executive Director of Sponsored Programs & Grants Compliance
- 3) SPO Senior Grants Officer
- 4) Campus or Systems Office Grants Finance Designee (GFD) or other Grant Staff
- 5) Campus or Systems Office Project Director (PD)

During the final review, the Executive Director of Sponsored Programs & Grants Compliance reviews the complete, final application packet, and initiates the College routing process. All reviewers work together to determine if a proposal is approved for submission.

Final Approval and Submission

When a proposal is approved, the SPO Director of Grants Management or Executive Director of Sponsored Programs & Grants Compliance communicates the approval decision with GDO staff and campus or Systems Office grants staff. Once approved, the campus or Systems Office SPO or GDO can proceed with the grant proposal submission on behalf of the College or Foundation for non-federal awards. For federal awards, the Systems Office SPO will submit on behalf of the campus.

Denials

If the proposal is not submitted to the SPO in final form within the two-week or five full business day requirement, the President of the Ivy Tech Foundation, and the College's Senior Vice President for Business Affairs & Chief Financial Officer reserve the right to deny the grant submission to the Sponsor. If denied, the campus or Foundation cannot proceed with the grant submission. The denial decision will be communicated to key

campus grant staff and development teams by the Systems Office Grants Development staff or the Executive Director of Sponsored Programs & Grants Compliance.

Exceptions

Few, if any, exceptions to the stated policy deadlines will be granted. It is the responsibility of the campus grants staff, campus development and Systems Office GDO and SPO to ensure proposals are following the required review and approval policies and deadlines. To request an exception, the campus Chancellor or Systems Office Senior Vice President must submit an exception request to the Foundation President and the College's Senior Vice President of Business Affairs & Chief Financial Officer via email. The email should also include the Foundation's Assistant Vice President of Grants Development and College's Assistant Vice President of Grants Management & Project Implementation. The email must be received at least 3 business days prior to the Sponsor deadline. The exception request email must include the following information:

- (1) Basic grant proposal information (i.e., Sponsor, grant deadline, funding type, funding amount, and other relevant details, sub-recipient, etc.)
- (2) Rationale for not meeting the required two-week policy. Include as much detail as possible to describe the situation and explain the specific reasons for not meeting the required College policy deadlines.
- (3) Proposed timeline and status of the grant proposal
- (4) Additional information to support your case. It should not be expected that an exception will be granted. All exception requests will be reviewed and approved or denied by the Foundation President and the College's Senior Vice President of Business Affairs & Chief Financial Officer.

The final determination will be communicated to the campus Chancellor or Systems Office Senior Vice President who submitted the initial exception request.

Disciplinary Actions

If the College Sponsored Programs FMM policy is not followed, the College or Foundation has the right to decline an award contract. Failure to comply with collegewide policies may prevent a staff or faculty member from submitting grant proposals in the future.

Documentation

The above review process is documented through an internal tracking system and the Grant Pre-Approval Form. Executive summaries are saved on the SPO shared drive and final submission packets are saved in the GDO portion of the shared drive.

2) DEFINITIONS

Sponsored Program: Any externally funded activity (e.g., equipment, training, curriculum development) through financial and/or non-cash support having a defined scope of work, period of performance, programmatic objectives and/or deliverables, line-item budget, and rights to equipment, if applicable, that outlines the Sponsor's expectations to ensure a reciprocal transfer of something of value by the awardee.

A sponsored program (aka sponsored projects or sponsored activity) is funded through the following types of agreements that outline the terms and conditions:

- **Grant:** Legal instrument of financial assistance given to organizations for stated purposes or activities to be carried out without substantial Sponsor involvement. The following outlines the types of grant awards:
 - Federal Grants: An award of financial assistance, in the form of money, or property in lieu of money, by the US Federal Government to an eligible grantee.
 - State Grants: An award made by a state agency which may be federal pass-through, state direct or state pass-through funding.
 - Local Government Grants: An award provided by a local authority (generally city or county). May be local, state, or federal funding.
 - Higher Education Grant: An award received from another institute of higher education.
 - International Grant: An award made by a Sponsor registered outside of the United States.
 - Private / Foundation Grant: An award from a private foundation, association, corporation or corporate foundation, private trust, or individual.
 - Pass-through Grant: An award received from the prime Sponsor to the prime grantee who then subawards that money to Ivy Tech.
- **Cooperative agreement:** Agreement to provide assistance and establish relationships between organizations and the Sponsors, in which both parties pursue stated purposes or activities; substantial Sponsor involvement is expected.
- **Contract:** a binding agreement, where a government agency "buys" goods or services from Ivy Tech to fulfill the agency's responsibilities

Sponsor / Prime Sponsor: A federal, state, or local governmental agency, institute of higher education, or private/foundation that funds a sponsored program financially and/or with non-cash support, such as through the donation of supplies, equipment, or services.

Award: Assistance (financial and/or non-cash support) that an awardee receives directly from a Sponsor or indirectly from a pass-through entity

Awardee: The primary entity (primary recipient / fiscal agent) receiving financial assistance or support from the Sponsor under the terms of a sponsored program.

Sub-award: Assistance received by secondary entity / sub-recipient through the primary entity (i.e., primary recipient / fiscal agent) to carry out part of the award. A sub-award agreement is executed by both parties outlining defined scope of work, period of performance, programmatic objectives and/or deliverables, line-item budget, and rights to equipment, if applicable, that outlines the awardee's expectation to ensure a reciprocal transfer of something of value by the sub-recipient. Typically, the terms and conditions from the prime agreement flow down to the sub-award agreement.

Sub-recipient: An entity that receives a sub-award from a primary recipient; by assuming responsibility for programmatic decision making and adherence to applicable compliance requirements, the sub-recipient is held accountable for the use of all funds provided by the sub-award.

Sub-contractor: An entity that is legally contracted by the primary recipient of an award for the purpose of providing goods and/or services.

Cost sharing: The process in which program / project costs, goods, or services are shared among awardee and Sponsor. Except when specifically authorized by the Sponsor, all matching contributions must meet the same cost principles as Sponsor-funded expenses (allowable, reasonable, allocable, and consistent). Cost sharing may be mandatory or voluntary.

Cost share and match are interchangeable in most grant situations. Cost sharing can take the form of the following:

- **Matching funds:** Financial contributions from the primary recipient or other entities, towards the objectives specified under the award. Federal funds cannot be used as match for other federal funds.
- **Cash match:** Direct financial contribution from Ivy Tech accounts which support the sponsored program.

- In-kind match: Costs paid in the form of non-monetary contributions such as material, equipment, buildings, land, and services provided by Ivy Tech in the form of volunteers or other non-grantee personnel.
- Voluntary cost sharing (VCS): Cost-sharing which is not required by the proposal nor reflected in the final proposal or grant award notification. It is non-auditable but is tracked for internal purposes and could be used within Sponsor guidelines if budget were available. Some Sponsors prohibit VCS inclusion and will not fund proposals including VCS.
- Required/Committed cost sharing: Requirement by the Sponsor/agency or that committed to in the grant proposal/award. Involuntary cost-sharing must be accounted for in the same manner as the Sponsor funds. All applicable grant rules apply to involuntary cost-sharing funds.
- Non-Auditable cost-sharing: A written means of showing institutional commitment to a project in a grant proposal without imposing an institutional burden of making that cost-sharing auditable. This can be done by writing in broad terms and leaving out specific percentages, figures, and amounts. An example of non-auditable cost share would be stating *a portion* of a program chair's time will be spent on the project.
- Auditable cost sharing: Verifiable from institutional accounting records or as a condition of the award. Auditable cost-sharing may include third-party or in-kind contributions which would be documented via alternate means and would include Project Director certification. Inclusion of auditable cost-sharing absent a Sponsor mandate requires the approval of the Executive Director of Sponsored Programs & Grants Compliance. An example of auditable cost share would be stating *10%* of the program chair's time.

Cost leveraging: Financing, or, in-kind goods or services, which may be drawn from federal or other sources to serve the objectives of the program specified under the award.

Direct Costs: Expenses specifically and easily identified and directly associated with the management and execution of a project / program with a high degree of accuracy under a sponsored program's guidelines. Direct costs may include salaries and wages, fringe benefits, materials and supplies, travel and professional development, and capital equipment, among other cost types.

Administrative Costs: Costs that can be identified specifically with a particular program, project, or activity as dictated by the Sponsor. In general, administrative costs include the costs of overall program management, budgeting, coordination, monitoring, reporting and evaluation. This includes salaries and benefits for personnel engaged in these activities and the costs of administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services. It can also include the costs of goods and services required for program administration, including the rental or purchase of equipment,

insurance, utilities, office supplies, and the rental and maintenance (but not purchase) of office space. Administrative costs do not necessarily constitute indirect costs.

Indirect Costs: Costs that cannot be identified specifically with a particular program, project, or activity. They are costs that are incurred for several purposes which are necessary to the operation of the institution or agency. These costs are typically referred to as “facilities and administrative costs (F&A).” If not otherwise provided under the sponsored program, indirect costs may include library resources, building maintenance, and general administration, including financial management, accounting, and auditing costs.

Total cost: Sum of the allowable direct and allocable indirect costs less any applicable credits.

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 (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Total Direct Costs: Sum of all direct cost.

Cognizant Agency: Federal agency responsible for reviewing, negotiating, and approving a specific state agency or institution’s cost allocation plan or indirect cost rate proposal.

Indirect Cost Recovery Rate: The Cognizant Agency approved rate for indirect costs. Funds received for indirect costs that are reimbursed or "recovered" from the sponsored program.

501(c)(3) organization: An organization that is organized and operated exclusively for charitable, religious, educational, scientific, or literary purposes, as well as testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals.

III. Gift Funds at Ivy Tech

A. Overview

Gift funds within Ivy Tech Community College's financial system are established to assist in accurate tracking of expenses using funds given to the College as a gift for which the donor is requiring nothing of value in return. Consideration in that matter should be given to current Ivy Tech policies surrounding the value of and process for accepting gifts. Use of the Ivy Tech Gift fund does not override nor circumvent any existing policy nor should the funds be used in this manner.

Specifically gift funds are to be set up in the Ivy Tech accounting system only when it is appropriate for a given situation. Instances when gifts have been given to the College/Foundation in excess of \$2,999 are able to have individual gift funds established for the donor's intent. Many times these will be directed towards a specific program or activity. General departmental or campus gift funds may be established at the onset of this policy, providing the College a place and process to bear expenses meant for reimbursement from the Foundation using funds given for general departmental, campus needs, or one-time instances beneath the \$3,000 threshold for individual gift funds.

Funds must be received from individuals, corporations, partnerships, foundations and/or associations. Funds given through one of the aforementioned entities that are receiving funds from a governmental prime contract are considered to be coming from a governmental agency (Federal, State or Local). Funds must be nonreciprocal in nature. The College should have flexibility to spend the funds as it sees fit to fulfill the donor's intent, and not be held to seek approval for changes, return unexpended funds, or maintain a record of fund expenditures for donor audit. The donor should not specify terms governing the gift, place requirements of liability or indemnity on the College, claim any ownership or licensing from outcomes of the gift, or identify any reciprocal or preferential treatment from or related to the gift. If any of these terms do exist, the funds should be established in a restricted sponsored program fund described above.

The advantages of using the gift fund versus bearing expenses in the general funds, tracking manually and seeking reimbursement from the foundation are two-fold. This includes more accurately reporting the type of funds utilized for the expenditure, and also providing a system to make and track those expenses. This system will be particularly useful when one considers the

budgeting of personnel on non-recurring donor dollars. The gift fund is intended to benefit the campus in tracking and seeking reimbursement for gift fund expenses, expending gift funds more effectively and assist in the budgeting of personnel who are funded via non-recurring restricted sources.

B. Fund types:

Fund Type 23 Restricted Gift Funds

Fund Type 18 Unrestricted Gift Funds

Gift funds will be established to allow a single org to have multiple gift funds. The fund will default the org and program code in Banner's finance system. Pulling from the Latin word for gift, Munus, gift funds will be established with an M predecessor (e.g. M00001, M00002) and will be sequential. End dates will be established as 12/31/2099 unless gift documentation establishes an end date which differs.

C. Management of gift funds

Restricted Gift Funds - Fund Type 23

Management of Restricted gift funds will fall under the direction of the Executive Director of Sponsored Programs. Sponsored Programs is responsible for the establishment of restricted gift funds, monthly monitoring of cash balances and manual budgeting.

This fund will account for gift expenditures and receipts which are general or nonrecurring. A single General Gift Fund will be established for each campus. One-time gift-expenses and campus restricted gifts should be expended via this fund.

1) Budget

(a) General Gift Funds will be budgeted annually based on estimated expenses, budgets may be increased or decreased to reflect realistic annual revenues.

(b) Budgets will not carry forward at year end

(c) Expenses will be available yearly or as inception to date

(d) Campuses maintain responsibility for budgeted amounts and cash receipts.

2) Balance

(a) It is realized that these funds are typically going to be funded with cash held at the Ivy Tech Foundation. Campuses are expected to invoice these gift funds monthly to the Ivy Tech Foundation.

(b) It is the expectation that funds be fully invoiced at year-end and cash balances brought to zero, at minimum the receivable must be equivalent to the deficit in the fund.

(c) Maintaining cash balances above 10% of annual budgeted expenses at year end could require justification of the balance and the associated spend down plan at the request of the Sponsored Programs Office.

Specialized Restricted Gift Funds – Fund Type 23

These funds will be established to track revenues and expenditures for specified donor intent funds. These are intended to be used for needs which are recurring or not insignificant (>\$2,999)

1) Budget

Specialized Restricted Gift Funds will be budgeted annually based on the donors' intent. Budgets may be increased or decreased to reflect realistic Life-To-Date revenues over the life of the gift.

(2) Budgets will be year to date and will not carry-forward at year end. Expenses will be available yearly or as inception-to-date

(3) Campuses maintain responsibility for budgeted amounts and cash receipts.

Unrestricted Gift Funds – Fund Type 18

Management of unrestricted Gift Funds will fall under the direction of the Assistant Vice President, Accounting and Financial Reporting.

1) Budget

(a) Unrestricted Gift Funds will be budgeted annually based on estimated expenses, budgets may be increased or decreased to reflect realistic annual revenues.

(b) Budgets will be year to date and expenses will be available as inception to date or year to date.

2) Balance

(a) It is understood that these funds are typically going to be funded with cash held at the Ivy Tech Foundation. Campuses are expected to invoice these gift funds monthly and not less than annually to the Ivy Tech Foundation.

(b) It is the expectation that funds be fully invoiced at year-end and cash balances brought to zero, at minimum the receivable must be equivalent the cash deficit in the fund.

(c) Maintaining cash balances above 10% of annual budgeted expenses at year end may require justification of the balance and the associated spend down plan as directed by the Sponsored Programs Office.

Cash Balances and Management Balances in College Held Gift Funds

Most Gift funds will draw cash from foundation held funds on a reimbursement basis. Instances when a gift is given directly to the College will allow those funds to be deposited directly into the gift fund, but steps must be taken to ensure the Foundation is aware of the gift and fulfills any reporting, stewardship and tax obligations related to that gift.

Cash balances in gift funds will typically be negative, but should be invoiced monthly to fund expenditures on the gift fund. Cash balance must be zeroed out (or made positive) during the year end close process. Management balances (budget based) should be positive. Account balances should be reviewed and appropriate action taken as needed, preferably monthly but not less than annually.

Fiscal Year-End

At fiscal year-end gift funds must be reconciled and cash balances must be made zero or positive.

Budget Balances at year end will not be carried forward in preparation for the new year-budget.

Cash balances maintained at above 10% of the budgeted expenses will need to be justified annually to the Executive Director of Sponsored Programs.

Campuses should budget their gift fund, budgets will be established in Banner by Sponsored Programs for both restricted and unrestricted gifts.

Campuses will be able to request a new gift fund by completing a Gift Fund Request form. Additional gift funds should be established only for purposes which are intended to be recurring or are not insignificant.

D. Approvals

Approvals in Ivy Markets will follow the organizational approving path for the default organization code provided at gift fund establishment

Approvals for journal entries will require the Sponsored Programs Office approval for Restricted Gift funds and the Operations and Agency Fund Approval process for unrestricted gift funds

At inception each campus will have a General Restricted and Unrestricted Gift fund.

All applicable College policies still apply – the funds cannot be used for expenses deemed otherwise unallowable.

Budgets – as part of the annual budgeting process, campuses will review and estimate gift fund expenses/revenues for the coming year, requesting a budget be established in that gift fund.

Budgets will not carry forward at year end for unrestricted gifts, expenses and budgets will be available to be tracked on an inception to date basis for restricted gifts.

E. Transfers

The only funds that can be transferred into a gift fund are those given expressly for the purpose as a donation or those coming from the Ivy Tech Foundation. It is not appropriate to transfer other restricted or unrestricted funds in a gift fund. Including, but not limited to general funds, physical plant funds, reserve funds, or carry-forward funds. If funds were transferred out of a gift fund into an alternate funding source but are being returned to the gift fund, this is acceptable. An example would be gift funds transferred into a cost-share account which was not fully expended and under the direction of Sponsored Programs could be returned to the original funding source.

Reviewed March 17, 2020