

# Guidelines for Managing Construction Grants

## Overview

Federal and non-federal sponsoring agencies provide funding to construct buildings and/or renovate existing facilities. These guidelines provide a framework for how Physical Facilities, Business Offices and Sponsored Program Services will work together to jointly manage the fiscal aspects of these projects.

## Fully Executed Award

Physical Facilities Fiscal Affairs, Physical Facilities Project Manager, Sponsored Program Services Post Award staff and Business Office staff will meet once the award is fully executed. The purpose of this meeting will be to ensure that all parties have information related to the grant (award amount, project period, budget devoted to construction vs. departmental expenditures, etc.) and any specific restrictions that are included in the award documentation. This group will determine the appropriate frequency for meeting in the future to ensure that adequate communication continues through the life of the grant/construction project.

## Payment Schedules

Sponsoring agencies have different payment practices. The following sections will outline guidelines for managing transfers between the construction fund and the SPS grant depending upon the payment scheduled in the award and/or contract.

### **100% Funding provided Upon Execution**

The award document and the check for construction projects funded from sponsors who provide payment in full when the award is fully executed will go to Sponsored Program Services to establish the grant and deposit the check. SPS will review the budget at the initial meeting (outlined above) to determine how much of the grant funding should transfer to Physical Facilities to be deposited into the

construction fund(s). Physical Facilities Fiscal Affairs and SPS will also share account numbers that have been established and ensure that each party understands the purpose for each account.

The following JV will be processed by PFFA within the month the initial meeting is held:

Grant		Construction Fund	
GL 491082	\$XXX	GL 491082	-\$XXX

This will transfer the revenue from the sponsored program grant into the construction fund.

No more often than monthly, SPS will process the following JV that corresponds to actual expenditures incurred on the construction fund:

Grant	Construction Fund
GL 491082 -\$XXXX	N/A
GL 591082 \$XXXX	N/A

This JV will appropriately charge the grant for expenditures charged to the construction fund along with an offsetting entry on grant revenue enabling all expenditures and revenue to be appropriately documented for stewardship reporting to sponsoring agencies.

### **Cost Share/Internal Funding**

The same process outlined above for projects funded 100% upon execution of the grant will be followed for any internal funds that are provided as a cost share or match on the grant.

### **Cost Reimbursement or Letter of Credit Awards**

The award document will go to Sponsored Program Services to establish the grant and establish billings. SPS will review the budget at the initial meeting (outlined above) to determine how much of the grant funding should be available for the construction project. Physical Facilities Fiscal Affairs and SPS will also share account numbers that have been established and ensure that each party understands the purpose for each account.

Monthly, SPS will process the following JV that corresponds to actual expenditures incurred on the construction fund:

Grant	Construction Fund
GL 591082 \$XXXX	GL 491082 -\$XXXX

This JV will appropriately charge the grant for expenditures charged to the construction fund enabling all expenditures to be appropriately documented for monthly billings and stewardship reporting to sponsoring agencies. This will also transfer revenue to the construction fund monthly throughout the life of the project.