

LINCOLN UNIVERSITY
FREQUENTLY ASKED QUESTIONS
GRANTS

1. I am the Principal Investigator of a grant. Am I required to follow University purchasing, travel, hiring or other policies and procedures when using grant funds?

Yes. Grants are not exceptions to the rule. You must always follow University policies and procedures.

2. Am I allowed to use grant funds for personal or other expenses that do not directly benefit the purpose for which the grant was obtained?

No. Only expenses that have been approved by the grantor for the express purpose of the grant are allowed to be charged to the grant.

3. Expenses were charged to the grant that should have been charged to my University department (or vice versa). Do I prepare a budget modification to charge the correct department?

No. To correct this error, a request for a journal entry must be forwarded to the Senior Grants Accountant to reclassify the expenditure to the correct department.

4. The grant ends next month but I am not able to expend all of the funds or complete the deliverables by the end date. Am I allowed to continue working towards completion including expending the allotted funds after the end date?

Expenditures after the end date of the grant are allowed **only with the express written approval of the grantor**, usually in the form of a modification to the grant agreement or an extension of the agreement/contract called a “no cost” extension. This approval must be in writing and in place before any funds are expended after the end date.

5. Am I allowed to be paid as an independent contractor or receive a stipend from a grant?

No. All payments to employees of the University must be issued through the payroll or travel advance and reimbursement systems of the University.

6. Am I allowed to transfer funds between grants or “deposit” funds from a grant to a University budget account?

No. Only expenses that have been approved by the grantor for the express purpose of the grant are allowed to be charged to the grant. Grants are not interchangeable. Lincoln University uses Generally Accepted Accounting Principles (GAAP) as well as Cost Principles 2 CFR 200 (Subpart E) to account for grant funds.

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7. The grant has an equipment budget. The equipment being purchased is specialized and requires room or electrical modification and set up fees. Will Lincoln University's physical plant or other department budget cover such charges?

No. For all specialized equipment check with the vendor for set up requirements and special needs before you complete your initial grant budget. You must budget for those expenses when requesting funding from the grantor. Before ordering the equipment you must request a quote and schedule from physical plant for the work to be done. A purchase requisition must be completed charging the expense to the grant.

8. I expect to receive funding from a grantor very soon but the grant agreement has not been finalized or approved. I have a field trip or other event scheduled to take place and I need to hire personnel that are to be paid from this grant. Will I be able to begin expending funds from this grant before the agreement and budget have been finalized/approved?

No. The grant agreement and budget must be signed and in place before funds can be committed. No funds can be spent or obligated before the beginning date noted in the signed document. Very few grants allow spending before the project period begins and this allowance must be explicit from the funding source.

9. The grant is federally funded and requires matching or cost sharing from another source. Will I be able to use a second federally funded grant as the match or cost share?

No. Federal funds cannot be used as a cost share or match for a federal grant. Nor can the same cost share be used towards two different grants. Also Federal Work Study salaries cannot be charged to a federal grant.

10. I want to purchase something that is not included in the grant budget. Is that allowed?

The rules of the granting agency and the grant agreement must be your guide. Most granting agencies require prior written approval for expenditures outside your approved budget.

11. The grant is a federal "pass thru" grant. What does that mean?

In some instances Lincoln University may be a sub-recipient of a federal grant. For example, another entity such as Fox Chase Cancer Center (FCCC) may be the prime recipient of a federal grant. FCCC may need to reach out to other entities (such as a university) to fulfill the deliverables of their federal grant. FCCC passes the federal funds through to Lincoln University via a subcontract with Lincoln University. The rules of the prime agreement with FCCC pass through to Lincoln University as well as the funds. These funds are classified as federal funds to Lincoln University even though our agreement is with FCCC rather than a federal agency. Vice versa, Lincoln University

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may be the prime recipient of a federal grant and “pass thru” federal funds to another entity such as FCCC.

12. The grant includes indirect, overhead, or F&A(Facilities & Administrative). What does that mean and how are those funds used?

Our indirect rate of 55% of salaries and fringe is a rate negotiated with our cognizant agency based on the University’s F&A cost pool. This is not “free money” but represents costs incurred for common or joint purposes that cannot be readily identified with a particular sponsored project. In other words the government recognizes that it costs the University something to house these grant programs even though those costs cannot be readily identified with a particular project. Examples of overhead costs are electricity, accounting, IT, HR, etc.

13. The grant includes funding for scholarships. What process do I use to notify Financial Aid?

Prepare a memo listing the student names and ID#, amount of scholarship to be awarded, semester, account number (your grant department), and name of the scholarship. Attach the memo to an email to the Financial Aid Office, Bursar, and Sr. Grants Accountant. Scholarships should be awarded early in the semester as the grant scholarship may affect other aid the student receives.

14. I would like to apply for a grant. What do I do?

Contact the Lincoln University Office of Research and Sponsored Programs.