

Grants and Contracts Guidelines

The following sections of the Contracts and Grants Manual are designed to assist college staff in preparing applications or administering grants and serves as an agency-wide reference for grants policy and procedures. It is organized to follow, as closely as possible, the chronological steps in the grant process from development of a Request for Applications (RFA) to the submission and review of reports.

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3100 GRANT AGREEMENTS

The following portion of the Manual sets out elements that must be included in grant agreements.

3110 Standard Elements

The Chancellor's Office has developed a standard format for grant agreements, which consists of the three elements listed below. These elements must be included in all grants, whether or not they are awarded through a competitive process. The basic elements are:

- (a) A face sheet which is completed by filling in certain basic information such as the name of the grantee, the dollar amount of the grant, its term, and the funding source. In order for a grant to be legally effective, the face sheet must be signed by the Executive Vice Chancellor or the Director of Internal Operations for the Chancellor's Office and by the Chief Executive Officer or designee for the grantee.
- (b) Article I, which sets forth the program-specific terms of the grant. The contents of Article I are controlled by the vice chancellor for the division administering the grant program, subject to review and approval by the Contract Manager and the Legal Affairs Division. (See § 3355.)
- (c) Article II, which sets forth the standard provisions applicable to all grants awarded by the Chancellor's Office. Provisions in Article II may only be changed by the Legal Affairs Division.

3120 Additional Elements of Individual Grant Agreements

The face sheet generally incorporates by reference the grantee's application. In most instances the grant application will consist of the grant narrative, work plan, and budget. Together these documents describe the work to be performed, the costs to be paid out of the grant funds, and (if applicable) any matching funds that the grantee will contribute.

3200 METHODS OF DISTRIBUTING GRANTS

The following portion of the Manual sets out the law, policy and procedures regarding the award of grants.

3210 Legal Requirements

In most cases, the method to be used in distributing grant funds is specified by the Legislature in statute or in the Budget Act. In those instances where the Legislature does not specify the methodology, this is controlled by Board of Governors Standing Order section 319.

3220 General Policy Favoring Competition

In those instances where the distribution method for grant funds is not determined by law, Standing Order section 319 generally requires that grants be awarded through a competitive process.

Authority: Procedures and Standing Orders of the Board of Governors, § 319(d).

3300 REQUEST FOR APPLICATIONS (RFA)

The following portion of the Manual sets out the law, policy and procedures with regard to the Request for Applications (RFA) process.

3310 Definition and Purpose

Where competition is required, either by law or by Standing Order section 319, the Chancellor's Office will announce the availability of such funds through a Request for Applications (RFA). An RFA is a formal solicitation for grant applications in a well-defined area to accomplish specific program objectives. The RFA indicates the estimated amount of funds set aside for the project, the estimated number of awards to be made, and the date by which applications must be received.

3320 Content of RFAs

Provisions relating to the content of RFAs and the use of agency-standardized provisions are set out below.

3321 Instructions and Specifications

Each RFA typically consists of a set of instructions and one or more RFA specifications that describe the particular programmatic purposes for which the funds are to be used, and the standard grant agreement (consisting of the face sheet and Articles I and II). The instructions document contains the basic requirements, information, and directions college personnel need in order to prepare their applications. The RFA specifications provide greater detail about the specific requirements applicable to a particular programmatic area.

3340 Eligibility to Apply for Grants

Ordinarily, all funds covered by the Proposition 98 funding guarantee must go to community college districts. As a result, the general rule is that only California community college districts are eligible to submit applications for funding under RFAs issued by the Chancellor's Office. One exception to this rule is that program staff may, on occasion, authorize nondistrict entities to apply for grants under programs supported with federal funds or funds from private foundations. There are also rare instances where the Legislature expressly authorizes Proposition 98 funds to go to nondistrict entities. Where nondistrict entities are allowed to apply, the eligibility criteria will be clearly spelled out in the applicable RFA specification.

3360 Dissemination

Information about the availability of RFAs and, in some cases, the full text of the RFA itself will be posted on the agency's website. In addition, all RFAs will be disseminated electronically to the grants contact person, the librarian, and the public information officer at each college. In addition, each RFA will be distributed to lists of directors/coordinators (maintained by program units in the Chancellor's Office) for programs expected to be particularly interested in that RFA.

3370 Length of Time Allowed for Applications

Whenever possible, the Chancellor's Office will allow at least 90 days from the date of publication of the RFA to the deadline for submission of proposals. Where grants are targeted primarily at faculty, the timeline should reflect sensitivity to the academic calendar.

3380 Questions and Clarification

The RFA will designate a contact person to whom questions may be directed. That person will respond individually to questions for which answers are already provided in the RFA. When an inquiry requires a clarification of the RFA, an addendum will be sent to all those to whom the RFA was initially sent.

3400 PROPOSAL REVIEW PROCESS

The grant proposal review process is set forth below.

3410 Preliminary Review and Rejection of Applications

When applications are first received, staff must perform a preliminary review of the applications to determine if they are eligible for reading and scoring. The Chancellor's Office reserves the right to reject any and all applications received. However, agency policy is that applications should only be rejected before scoring under the following limited circumstances:

- (a) The application is received at the Chancellor's Office after 5:00 p.m. on the date specified in the RFA as the deadline for submission of applications. This is true even if the application is postmarked on or before the deadline date. However, an application may be accepted if it is

late because the applicant used a commercial carrier that guaranteed to deliver it by the application deadline, but failed to do so;

- (b) The RFA Specification Number cannot readily be ascertained;
- (c) The application does not include three (3) originals and five (5) copies of the following documents:
 - (1) Grant Agreement Face Sheet (originals signed by the Chief Executive Officer or designee in an ink color other than black);
 - (2) Application Budget Summary (originals signed by the Chief Business Officer or designee in an ink color other than black);
 - (3) Contact Page;
 - (4) The statement of need; and
 - (5) The work plan or statement of work to be performed.

3420 Reader Panels

The procedures for assembling and recruiting panels of grant readers are set forth below.

3421 Assembling Panels

Program staff for the division issuing the RFA is responsible for assembling evaluation panels. The general agency policy is that panels should consist of three readers, but a vice chancellor may authorize use of fewer readers where it would be impractical to obtain three readers for each panel. The panel will include outside readers as appropriate and will be comprised so as to assure objectivity and prevent conflicts of interests. In the event that outside readers are not used, the evaluation panel shall include staff from more than one division in the Chancellor's Office. (Note: Due to the specialized nature of the subject matter, this rule is not applied to grants awarded by the Facilities Planning Unit.)

3422 Reader Recruitment

An agency-wide, year-round process will be utilized which includes various approaches to soliciting readers for all grant programs (except for the Fund for Instructional Improvement program where reviewing proposals is specified as a responsibility of the FII Advisory and Review Council pursuant to Cal. Code Regs., tit. 5, § 56658). Policies governing reader recruitment include:

- (a) The Chancellor and vice chancellors will formally request reader nominations through appropriate groups and organizations, including an explanation of the value to participants of the reader experience;
- (b) All reader recruitment will utilize the Grant Reader Application/Nomination form. This form will be available on the agency's website. The recruitment form will also be distributed at all appropriate statewide and regional meetings and conferences attended by agency staff;
- (c) Readers will be selected from representation of a wide range of expertise in education, program practitioners and Chancellor's Office staff;
- (d) Reader pools will be established to allow readers to build up experience and become more skilled;
- (e) Annual reading dates will be established early in order to permit readers to plan their calendars. These dates will be published as part of the agency-wide grants calendar;
- (f) Whenever possible, readers will be notified of their selection at least 4 weeks in advance of the proposal submission deadline, and then of their actual assignment to a reading process

soon after the deadline (when the number of proposals, and therefore the number of readers needed, are both known); and

- (g) A reader recruitment coordinator will be designated to ensure that all of the above elements are implemented.

3423 Reading Processes

Each Unit shall, consistent with the general principles below, assume responsibility for the management and oversight of the actual reading process for grant programs it administers.

- (a) All readers will be provided with reader orientation materials accompanied by a FAQ (Frequently Asked Questions) piece (which will also be available on the agency's website).
- (b) A reasonable amount of time will be allowed for reading given the number of grants to be read in a session.
- (c) All readers will be given the same rules, scoring criteria, and maximum possible point values assigned to each criterion, and use the same proposal evaluation form.
- (d) Reading locations should be comfortable, well lighted and well ventilated.
- (e) The role of staff should be made clear during the training process.
- (f) Readers are required to sign a Conflict of Interests/Confidentiality Statement form stating that they will disqualify themselves from reading any proposal that might involve a conflict and will keep all information confidential.
- (g) Each unit is responsible for arranging for the travel reimbursement for its readers. To expedite the travel reimbursement process the Business Travel Account (BTA) should be used to eliminate the out-of-pocket travel cost to the reader.

3430 Scoring of Proposals

The procedures and methods for reviewing and scoring grant proposals are set forth below.

3431 Scoring Criteria

All applications will be evaluated and ranked on the basis of a 100-point scale. Unless the vice chancellor for the division administering the program approves the use of different criteria, the scoring criteria and point values listed below shall be used. Altered criteria or point values which have been approved by a vice chancellor will remain in use unless and until the program staff receive approval from the vice chancellor to make another change.

- (a) Need (Statement of Problem): 10 points
- (b) Response to the Need: 10 points
- (c) Workplan-Objectives: 15 points
- (d) Workplan-Procedures Activities: 10 points
- (e) Workplan-Performance Outcomes: 15 points
- (f) Project Management: 15 points
- (g) Application Budget: 10 points
- (h) Dissemination: 5 points
- (i) Overall Feasibility of the Project: 10 points

3432 Averaging Reader Scores

The score assigned to a given application is the average of the scores determined by the individual readers. Where three readers are used, if the scores of the readers differ by more than 10 points, the score that deviates the furthest will not be considered in the average score, or, if the deviations are exactly equal, the lowest score will be disregarded.

3433 Process for Breaking Ties

In the event of a tie that will affect funding, the application will be read by an additional reader, and the score of the additional reader will be averaged in with the other scores.

3440 Ranking and Listing of Proposals

Once scoring is complete, program staff will rank proposals and develop a list that includes four categories for each RFA Specification. The categories are:

- (a) Funded (F);
- (b) Eligible-Not Funded (E-NF). A proposal will be placed in this category when it receives at least the minimum number of points necessary for funding (normally 75 points) but funding is insufficient to fund proposals down to that level;
- (c) Not Eligible (NE). This category includes proposals which did not achieve the minimum number of points on their application evaluation; and
- (d) Not Scored (NS). This category designates proposals that were rejected before being read for reasons listed in the RFA (see § 3410).

3450 Surplus Funds

If an RFA contains multiple specifications or funding categories, and there are funds remaining under any specification/category after all of the eligible applicants have been funded, the Chancellor's Office may, subject to restrictions in the applicable statutes or Budget Act provisions, elect to award the remaining funds under a different RFA specification. The additional awards will be made by taking proposals in ranked order from the E-NF lists already established.

If the RFA does not have multiple specifications, or if reallocation of funds still does not exhaust all funds, remaining funds must be readvertised through another RFA or an exemption must be sought as provided in section 3240 permitting the funds to be awarded on a noncompetitive basis. In the case of funding under the Vocational and Technical Education Act (VTEA), there is a mechanism for carrying over excess funds to the subsequent year.

Authority: Procedures and Standing Orders of the Board of Governors, § 319(d)(3).

3460 Notification of Intent to Award Grant

A master list of the scoring results for each of the RFA specifications will be posted on the agency's website along with notification of intent to award those grants listed as "Funded." The notice will be posted for at least 10 business days. If appeals are filed during this period, the grants affected will not be awarded until the appeal is resolved. Final approval of a grant is contingent on the signature of the Executive Vice Chancellor or Director of Internal Operations and the appropriate district authority.

3470 Grant Appeal Procedures

An applicant may file an appeal of the proposed grant awards. The appeal must be in writing and be signed by the college president or designee, or by the head of a nondistrict entity in those rare instances where such entities are eligible to apply under the particular RFA. The appeal must be filed within 10 business days after the date notice of intent to award is posted. Appeals must be filed with the vice chancellor of the division responsible for funding the project (as identified in the RFA). The appeal must specify the grounds of appeal and must be based on the process and/or procedures used in the review and recommendation of applications for awards. The vice chancellor shall review all the information submitted with the appeal, consult with the Legal Affairs Division where necessary, and render a decision within 30 calendar days of the date of receipt of the appeal. The decision of the vice chancellor is final.

3700 PERFORMANCE, MONITORING, PAYMENTS

Procedures regarding the performance and monitoring of grants, and payments pursuant to grant agreements, are set forth below.

3710 Reports

With regard to grant agreements, the following types of reports are required.

3711 Progress Reports

The general agency policy is that all grants will require two progress reports during each year of the project—one after six months and another after nine months. Vice chancellors may authorize fewer reports where other methods (e.g. routine data collection) are available to adequately monitor grant performance. Quarterly reports are required for projects funded under the Carl D. Perkins Vocational and Technical Education Act where payments are made through the apportionment process. The Economic and Workforce Development Program also requires quarterly progress reports to meet legislatively established accountability and monitoring requirements. More than the standard two progress reports may also be required by a grant agreement where this is necessary to comply with federal or state law or contractual obligations to a funding source.

Please note that the report forms have been revised to permit electronic submission.

3712 Annual Reports

Multi-year grants will require a year-end report within 60 calendar days after the close of each year.

3713 Final Report

Upon the completion of each project, a final report must be filed with the project monitor documenting the extent to which the objectives of the grant have been achieved. Generally, the final report will be due within 60 calendar days after the end of the period of performance of the grant.

3714 Additional Reports

Some grant programs may require the filing of additional reports detailing expenditures.

3720 Monitoring

Each grant must specify the Chancellor's Office staff member designated as the project monitor. The project monitor is responsible for reviewing reports submitted by the grantee and determining whether the objectives of the grant have been satisfactorily met. In the case of multi-year projects, funding for the second or subsequent years of the project may only be authorized if the project monitor determines that the grantee has made satisfactory progress toward achieving the grant objectives.

3730 Payments

Invoices are routed to the appropriate program unit for payment except in cases where payments are made through the apportionment process.

3740 Subgrants or Subcontracts

If a grantee wishes to contract with a private or public entity to perform certain parts of the work required under the grant, the standard agency grant agreement requires that the grantee obtain the written approval of the grant project monitor prior to the selection of subcontractors or subgrantees to perform services under the grant. Approval may be granted based upon a written request wherein the grantee discloses the intended purpose and amount of such subcontracts or subgrants, agrees to follow locally applicable competitive bidding processes, and identifies the subcontractors or subgrantees chosen.

In addition, the standard agency grant agreement requires grantees to include certain specific provisions in their subcontract or subgrant agreements and makes subcontracts and subgrants subject to audit. Subcontractors or subgrantees specifically identified in either a grant or grant exhibits and that are secured in accordance with applicable legal requirements and the grant provisions (such as those discussed above) are deemed approved upon execution of the grant agreement.

Authority: Procedures and Standing Orders of the Board of Governors, § 319(h).

3750 Modifications and Amendments

The conditions under which a grant agreement may be modified or amended are set forth below, as well as the procedures that must be followed.

3751 Changes in Work to be Performed

Usually the work to be performed under a grant is set forth in a work plan developed by the grantee and submitted as part of the grant application. The grantee may make changes in the work plan with the written approval of the project monitor. If the project monitor determines that the modification would materially affect the outcomes of the grant, the project monitor may require the completion of a formal amendment to the grant.

3752 Budget Changes

All grant funds must be spent consistent with the requirements specified in the RFA specification under which the grant was awarded.

For most program areas, the grantee may make changes to any budget category amounts (Object of Expenditure, line items 1-7, Application Budget Summary) without the approval of the project monitor, so long as budget categories are not added or deleted, the total dollar amount of the grant is not affected, and the outcomes of the grant will not be materially affected. However, all such budget changes shall be reported to and approved by the project monitor. Additionally, the next progress report must show the new budget changes.

For grants administered by the Facilities Planning Unit, approval by the project monitor is required in advance of any budget changes.

3753 Amendments

A request for a grant amendment must be mailed to the appropriate program unit for approval by the project monitor. The grantee will be notified if the request is approved or if additional information is required. In any event, the grantee shall implement changes only upon written notification by the project monitor.

Grant amendment documents for budget changes must be processed when there are changes in the total dollar amount of the grant and/or the outcome of the grant is materially affected. The request for such changes should include a letter of justification; three copies of a revised Application Budget Summary form (available on the agency website), all of which have been signed by the Chief Business Officer or designee, in an ink color other than black; and a revised Application Budget Detail Sheet form (available on the agency website).

It should be noted that no amendment may allow a district to expend funds beyond the end of the second fiscal year after the period for which the funds were originally appropriated. For grants awarded under the Carl D. Perkins Vocational and Technical Education Act of 1998, extensions of time are not allowed beyond June 30th of the year for which the funds are awarded.

3760 Recovery of Unused Funds

If a grantee cannot use or account for all funds received, the grant agreement authorizes the Chancellor's Office to recover the unused funds.