



Origination 9/21/2023
Effective 9/28/2023
Reviewed 9/21/2023
Next Review 9/27/2024

Owner Jeni Kitchell: Int
Asst VC &
Controller & EBD
Area Business and
Finance
Codes EO 0890,
ICSUAM
11001.00,
ICSUAM
11001.01
+ 16 more

Sponsored Programs Administration

I. Policy

Each Campus shall have policies and/or procedures in place to effectively administer externally funded programs awarded to the Campus (the University and its Auxiliary organizations) in compliance with applicable federal, state and CSU regulations and policies. Throughout this policy, Campus shall refer to any department of the University or Auxiliary with any responsibility for the administration of externally sponsored agreements.

Sponsored Programs provide significant benefit to the California State University (CSU) and further its educational mission by facilitating research, workshops, conferences, institutes, and other projects that enrich the scholarly endeavors of faculty and students and enhance the services provided by the CSU to California communities. This policy shall be followed by each Campus administering Sponsored Programs to ensure the Campus maximizes the benefits of Sponsored Programs and supports faculty, students, and administrators in effectively securing and managing Sponsored Programs.

The president of each campus is responsible for the educational effectiveness, academic excellence, and general welfare of the campus over which they preside. The president shall require that the University and the Auxiliary operate in conformity with applicable law and policies of the CSU and the campus when proposing and administering Sponsored Programs. Sound management and administration of Sponsored Programs requires coordination among organizationally separate units and individuals on the campus, and therefore the campus president should encourage cross-departmental collaboration.

Further, the President of each campus of The California State University is hereby granted fiscal and

administrative authority and responsibility for the total operation of these campus Special Projects Funds.

Each Campus shall maintain written policies or procedures on the management of Sponsored Programs Administration (SPA) that are consistent with the CSU Sponsored Programs Administration policy and other policies related to risk management, environmental health and safety, conflicts of interest, research misconduct and other applicable CSU and campus policies. If a given Contract or Grant contains terms and conditions that are not in conflict with but are more restrictive than those provided in CSU policy, the more restrictive terms and conditions of the Contract or Grant shall prevail.

II. Pre-Award Phase - Funding Opportunities and Application Review

The Campus policy shall clearly identify which entity (University or Auxiliary) shall be the primary Sponsored Programs Administrator and the recipient of the Contract or Grant shall be the University or Auxiliary and not an individual, department, or other constituent unit. The Sponsored Program Administrator is legally responsible and accountable to the Sponsor for the use of the funds provided and the performance of the Sponsored Program on behalf of the institution.

The University and the Auxiliary shall execute an addendum to any Auxiliary Operating Agreement that includes the function "Externally Funded Projects Including Research, Workshops, Conferences, and Institutes" from [5 CCR 42500](#). The Auxiliary shall agree to comply with all federal, state, CSU, Auxiliary and sponsor regulations and/or policies governing the administration of externally funded sponsored programs. Refer to [Attachment 4](#) related to the Auxiliary Operating Agreement addendum for the administration of externally funded grants, contracts or other agreements. While all sections of the Bayh-Dole Act are pertinent, [Section 37 CFR 401.14\(f\) Standard Patent Rights Clauses](#) is particularly important in that it covers some of the more significant requirements of the Act.

A. Development and Pre-Award Requirements

1. Pre-Award Proposal Review and Approval

It is the policy of the California State University (CSU) that each campus maintain procedures that facilitate the review and approval of Campus proposals for externally funded programs. The Campus policy and/or procedure shall ensure compliance with applicable Federal and State regulations, CSU policies and sponsor guidelines regarding proposal submission.

2. Pre-Award Review and Approval of Proposal Submission

Proposals for Sponsored Programs shall not be submitted to the Sponsor without prior approval of the University president or the president's designee for the technical proposal and support of the University mission and of the University chief financial officer or the chief financial officer's designee for the cost proposal and compliance with campus budget requirements.

3. Pre-Award Compliance

Approval by appropriate Campus officials responsible for compliance with any additional requirements of the Sponsor or government, including IRB, IACUC, COI, RCR and/or Export Control Regulations, if applicable, must be obtained in accordance with Campus policy and/or procedure either prior to award acceptance or before spending can begin on a particular segment of the award, whichever is applicable.

4. Pre-Award Review to Determine Gift or Sponsored Program Designation

The Campus procedures shall facilitate the appropriate classification of gifts and grants to ensure that external funding directed to the Campus receives the proper compliance review, administrative oversight, and monitoring.

B. Notice

The campus shall provide notice to all personnel responsible for the preparation of proposals and applications for Sponsored Programs that, if awarded, the Recipient of the Contract or Grant shall be the University or Auxiliary and not an individual, department, or other constituent unit.

C. Budget

The Campus shall maintain procedures for final approval of proposed and awarded project budgets and budget change review/approval. CFO or designee approval, under the campus President authority, includes approval of the proposed indirect cost rate in accordance with Facility and Administration (F&A) Rate Agreements.

Resources: Laws, State Codes, Regulations and Mandates

- [2 CFR 200](#)

D. Proposal Costing and Budgeting

It is the policy of the CSU that each campus maintain procedures related to proposal cost estimating for Campus proposals for externally-funded programs. The Campus policy and/or procedure shall ensure compliance with applicable Federal and State regulations, CSU policies, and sponsor guidelines regarding cost proposals.

Each Campus shall ensure that costs included in sponsored project budgets are consistent with the Campus's financial practices and sponsor requirements. For proposals submitted to federal agencies, whether directly or as flow-through, as well as to agencies and organizations that have adopted federal costing standards, campuses will ensure that costing policies and/or procedures are no less strict than those required under applicable Federal regulations.

Each campus shall ensure that direct and indirect costs are recovered and treated consistently in sponsored project budgets and in compliance CSU policy and Campus procedures.

E. Pre-Authorization to Spend

Disbursements shall not be processed on any project until receipt of a fully executed award document and necessary approvals have been obtained, consistent with Campus policy/procedure. In cases when the Sponsor allows the Campus to incur costs prior to receipt of the award or the project start date, and the Campus has a procedure in place to allow for pre-award spending, disbursements for allowable expenditures may be made prior to receipt or execution of the award document.

Resources: Laws, State Codes, Regulations and Mandates

- [2 CFR 200](#)

III. Compliance Management

Each campus shall identify specific University official(s), in the case of Sponsored Programs requiring scholarly research, who are responsible for compliance with the campus policy on responsible conduct of research and assisting the Sponsored Program Administrator by providing oversight of the conduct of the sponsored research and ensuing progress toward fulfillment of Contract or Grant requirements.

A. Conflict of Interest for Principal Investigators (PI)

Each campus shall have procedures to comply with conflict of interest regulations related to investigators, students and staff engaged in sponsored research activities.

It is the responsibility of the campus president or designee to ensure compliance with federal, state and CSU regulations regarding the disclosure, filing and resolution of financial conflicts of interest related to sponsored research, which includes guidance to comply with Federal Conflict of Interest and California Conflict of Interest requirements.

1. Federal Conflict of Interest

Each campus will, at minimum:

- Assist investigators, students and research staff in determining whether and to what extent outside financial relationships and interests may conflict with their primary research and academic activities or other institutional responsibilities.
- Maintain procedures for:
 - Managing, resolving and reporting (as required) individual financial conflicts of interest.
 - Complying with the conflict of interest regulations applicable to funded research, and when applicable other sponsored activities, as summarized below:
 - 2 CFR 200 and any sponsored agreement requirements
 - National Science Foundation (NSF)
 - Public Health Services (PHS)
 - Fair Political Practices Commission (FPPC)

- California State University (CSU)

Resources: Laws, State Codes, Regulations and Mandates

Research Sponsor	Applicable Regulations and Links
Public Health Service Agencies and others adopting the PHS Policy*	42 CFR Part 50, Subpart F . "Responsibility of Applicants for Promoting Objectivity in Research for which PHS Funding is Sought." COGR (Council on Government Relations) - Managing Externally Funded Research Programs: A Guide to Effective Management Practices - http://www.cogr.edu
National Science Foundation	NSF Award and Administration Guide - Chapter IX - Grantee Standards.
Non-Governmental agencies (CSU Policy and Fair Political Practices Commission [FPPC] - Guidelines)	Regulations of the Fair Political Practices Commission (FPPC), Title 2, Division 6, California Code of Regulations: §18755 . Statements of Economic Interests: Person or Persons at an Institution of Higher Education with Principal Responsibility for a Research Project Exempt Organization List : Includes list of nongovernmental entities exempt from FCOI regulations.

California Entities who have adopted PHS FCOI guidelines: *For entities designated by DHHS as a component of the U.S. Public Health Service (PHS) and non-PHS entities who have adopted PHS FCOI regulations visit the Federal Demonstration Partnership (FDP) website: <http://thefdp.org/default/fcoi-clearinghouse/>

- **California Institute for Regenerative Medicine (CIRM)**
- **University of California, Office of the President (UCOP) Special Programs:**
 - University AIDS Program
 - California Breast Cancer Program
 - Tobacco-Related Disease Research Program
- **National Science Foundation (NSF):** NSF Financial Conflict of Interest disclosure requirements are applicable to any person who is responsible for the design, conduct, or reporting of work performed on the project. This includes Investigators (as defined above).
 - NSF requires each grantee institution employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest in accordance with the NSF Conflict of Interest policy (https://www.nsf.gov/pubs/policydocs/pappg20_1/pappg_9.jsp).
 - An institutional conflict of interest policy should require that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator's spouse and dependent children):

- that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or
 - in entities whose financial interests would reasonably appear to be affected by such activities.
- **Public Health Services (PHS)/National Institutes of Health (NIH):** The PHS policy for disclosure and management of conflicts of interest applies to all grants and cooperative agreements (other than Phase I SBIR and STTR applications) including noncompeting continuations, and to solicitations issued and contracts awarded that are submitted to a PHS covered entity and other non-federal sponsors that adopt the PHS policy for research. For all PHS-funded projects, the campus FCOI policy and/or procedures must address, at a minimum, the requirements on the NIH.gov FCOI policy checklist (<https://grants.nih.gov/grants/oer.htm>).
 - **Privately Funded Grants and Contracts (nongovernmental funding sources)**
Reporting requirements for research projects funded by non-governmental entities are outlined in 2 CCR § 18755. This regulation provides that research funding by certain nonprofit entities will not trigger disclosure. This regulation is also available on the FPPC website (<https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article3/18755.pdf>).
 - **Summary of Disclosure Requirements:** Refer to the CSU FCOI Disclosure Chart for summary of requirements by funding source. CSU FCOI Disclosure Requirements by Funding Source Chart

Useful Guidelines

Refer to the [CSU FCOI Disclosure Requirements by Funding Source Chart](#) for specific requirements for each funding source.

Principal Investigator Training

- **PIs employed by the University:** In accordance with FPPC requirements and consistent with CSU policy Principal Investigators must complete the CSU Ethics and Conflict of Interest Training within 6 months of receiving the grant. Subsequent training is required at least once each consecutive period of two calendar years that the grant is in place. While the CSU is working on a unique FCOI training module for PIs, it is important for campuses to facilitate the coordination efforts of their sponsored programs office and campus filing officer, in order to manage compliance with the applicable regulations, including 700-U filings and CSU Ethics & Conflict of Interest Training. To gain access to the CSU Ethics & Conflict of Interest Training, the sponsored programs office must provide the PI's, name, email address and role (PI) to the campus filing officer or designee - who will forward a request to the Chancellor's Office training coordinator. The PI will receive an email notification when they have been granted access to the training module. Campuses should also define whether the campus filing officer or the sponsored programs office retains ownership of the various completed COI forms, in accordance with applicable regulations.
- **PIs employed by an auxiliary organization:** The CSU Ethics & Conflict of Interest Training is available to auxiliary PIs through the CSU Professional Development learning management system. Auxiliary organizations may also choose to use the CITI (Collaborative Institutional Training Initiative) RCR/FCOI training module or other campus-based training module as an alternative to the CSU Ethics & Conflict of Interest Training for PIs employed by an auxiliary organization. This does not apply to faculty PIs receiving additional employment payments

from an auxiliary organization, as they are subject to the FPPC regulations and CSU policy on training in compliance with HR 2015-15 and the paragraph above.

Management of Disclosed Conflicts of Interest

- For all funding sources subject to conflict of interest policy or regulation, the campus should maintain a process for reviewing, managing and/or reporting financial conflicts of interest in accordance with the applicable policy or regulation. The process should include the appointment of an independent review committee to review and make recommendations for the management of conflicts, as necessary.

2. State (California) Conflict of Interest

CSU Conflict of Interests requirements, at minimum, require compliance with:

California State University, Office of the Chancellor

- HR Conflict of Interest Policies
- HR POI COI Policy
- CSU Ethics Training

3. Management of Disclosed Conflicts of Interest

For all funding sources subject to conflict of interest policy or regulation, the campus should maintain a process for reviewing, managing and/or reporting financial conflicts of interest in accordance with the applicable policy or regulation. The process should include the appointment of an independent review committee to review and make recommendations for the management of conflicts, as necessary.

B. Facility and Administration (F&A) Rate Agreements

It is the policy of the California State University (CSU) that each Campus shall maintain procedures on the development of the campus federally negotiated indirect/facilities and administrative (F&A) cost rate agreements and on the consistent treatment and recovery of indirect costs.

In compliance with CSU policy. Campus procedures shall facilitate full cost recovery of direct and indirect costs associated with externally funded projects. Campus policy/procedure shall address exceptions to proposal of the applicable federally negotiated F&A rate that will be approved as part of the Campus pre-award proposal review/approval process.

1. Federally Negotiated F&A Rate Agreement

The Campus indirect cost rate proposal shall be based on applicable federal regulations contained in 2 CFR 200.

2. F&A/Indirect Cost Rate in Proposals for External Funding

Campus policy shall require that proposals be submitted using the applicable federally negotiated F&A rate for all funding sources. Campus policy/procedure shall document exceptions to proposals using

less than the federally negotiated F&A rate.

3. State Contracts

As a public institution of higher education, the CSU is partially supported by funding from the State of California. As such, proposals submitted for State funded Agreements must comply with current CSU guidance on the indirect cost rate in effect under contracts from California State agencies. Exceptions to the State indirect cost rate not documented in the Sponsored Programs Guidance must be approved by the University president or designee and the Chancellor's Office EVC/CFO or designee. Refer to Section B., State Agreements.

4. Consistent Treatment of Costs

Each campus shall ensure that direct and indirect costs are treated consistently in sponsored project budgets and in compliance with 2 CFR 200 for federally funded projects.

Resources: Laws, State Codes, Regulations and Mandates

- [CSU Systemwide Guidance on State Indirect Cost Rate](#) will be updated periodically and kept on the [CSYou Sponsored Programs intranet page](#).
- [2 CFR 200](#)
 - [Subpart E](#) and [Appendix III](#)

C. Intellectual Property: Federally Funded Patentable Inventions

For inventions first conceived or reduced to practice under a project funded in whole or in part with federal funds, the Campus must comply with the requirements of the Bayh-Dole Act unless otherwise negotiated in the federally funded agreement.

1. Externally Funded Intellectual Property

If the proposed sponsored project is awarded to the University (or Auxiliary), all Campus group members participating in the sponsored project shall assign rights to the University (or Auxiliary) for intellectual property first conceived or reduced to practice under the sponsored project, where such an assignment is required in order to comply with the terms and conditions of the sponsored agreement. This requirement should be made clear to faculty prior to proposal submission, and the assignment of rights, if required, should occur prior to award acceptance and must occur before a subject invention is disclosed to the funding agency. Bayh-Dole Act ([37 CFR 401](#)). **Obligations of Universities and Other Nonprofit Organizations:** By accepting federal funds in support of a research project, institutions assume responsibility for complying with the requirements of the Bayh-Dole Act and US Patent Law for federally funded inventions ([35 USC §200-212](#)). In general, the nonprofit organizations are required to:

1. Obtain written agreements from all employees (except clerical and non-technical personnel) recognizing their obligations to report inventions developed under federally-funded programs

- to the appropriate university office and assign them to the institution;
2. Disclose an invention to the federal agency supporting the applicable research program within 2 months after the inventor discloses an invention in writing to the institution;
 3. Elect title to the invention within two years after disclosing the invention to the federal agency but no later than 60 days before the end of any statutory period in which valid patent protection can be obtained in the U.S.;
 4. File a patent application within one year after election of title - or earlier if necessary to avoid forfeiture of patent rights - but no later than the end of any statutory period in which valid patent protection can be obtained in the U.S.;
 5. Include at the beginning of the U.S. patent application and patent a statement that the U.S. Government has rights in the invention and identifying the sponsoring agency and the number of the funding award;
 6. Submit to the funding agency a confirmatory license for each U.S. patent application providing the sponsoring agency with a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world;
 7. Notify the funding agency within a reasonable amount of time after filing the initial patent application whether and in which countries corresponding foreign applications will be filed;
 8. Submit periodic reports, no more frequently than once a year, regarding the utilization of the invention as requested by the funding agency;
 9. Give preference to issuing licenses to small business firms if they show they have the resources and capability to bring the invention to practical application;
 10. Except with permission of the funding agency, not assign rights to inventions to third parties (except to patent management firms), including to the inventor;
 11. Require any exclusive licensee to substantially manufacture in the U.S. any products that will be sold in the U.S., unless this requirement is waived by the funding agency;
 12. Share with the inventor(s) of the invention a portion of any income the institution receives from the licensing of the invention;
 13. Use the balance of income received from the licensing of the invention (after costs associated with patenting and licensing are reimbursed) to support education and scientific research.

Resources: Laws, State Codes, Regulations and Mandates

- Federal regulations related to federally funded grants and agreements - [Uniform Guidance 2 CFR 200](#).
- When applicable, for regulations under Federal contracts, refer to - [Federal Acquisition Register \(FAR\)](#) and Defense Federal Acquisition Regulation Supplement (DFARS).
- State Contracts - use [California Model Agreement \(AB20\) process and forms](#)
- Bayh-Dole [Act 37 CFR 401](#) et al: US Patent Law ([US Code Title 35](#)) - specifically [Chapter 18](#). Sections 200-212. which covers Patent Rights in Inventions Made with Federal Assistance.
- Private Business Use of TEBFF Internal Revenue Code Section 141(b) - 10% private use regulation

- Internal Revenue Procedure ([2007-47](#)) - Exception for basic research in tax-exempt bond-funded facilities

Sponsored Programs General Policy Standards and Requirements Related Principles

- [COGR Effective Management Practices](#)

D. Principal Investigator (PI)

Each campus shall include in its policy the minimum qualifications and normal responsibilities of PIs for Sponsored Programs beyond those imposed by the Sponsor. The qualifications of a PI shall include, but not be limited to, employment by the University or Auxiliary. Campus policy may establish criteria for limited exceptions for the appointment of PIs who are not employees of the University or Auxiliary, but who are officially affiliated with the University, such as individuals with emeritus status or visiting professors or researchers. The Campus shall have procedures for reassigning the responsibilities of the PI(s) in case of the incumbent PIs resignation, incapacitation, or failure or refusal to perform the duties of the sponsored program adequately, in compliance with sponsor regulations and campus policy.

In accordance with campus policy, the authority to accept legally binding agreements, on behalf of the University or Auxiliary, resides with the Sponsored Programs Administrator or designee.

E. Tax Exempt Bond-Funded Facilities and Externally Funded Projects

The Campus sponsored programs office will coordinate with Campus facilities staff on any externally funded projects for activities in tax-exempt bond-funded facilities that may be considered private business use prior to award acceptance.

Potential Private Business Use (PBU): Internal Revenue Code Section [141\(b\)](#) - 10% private use regulation

- Internal Revenue Procedure ([2007-47](#)) - Exception for research in tax-exempt bond-funded facilities (TEBFF)
- In order to protect the tax-exempt status of a TEBFF, the terms and conditions of any sponsored agreement must allow for University ownership of any IP resulting from the sponsored research (or be compliant with the Bayh-Dole Act if federally funded).
- Any research project where ownership of IP is not retained by the University or Auxiliary is considered "private use" and jeopardizes the tax-exempt status of the bond. Campus procedures may allow for exceptions when it is determined to be in the best interest of the University, but must provide information to the campus facilities office on the potential PBU.
- Other exceptions to PBU are identified on the [TEBFF PBU decision tree](#). RSP will use the decision tree to identify potential PBU on externally funded projects that are not funded by the state/local government.
- At time of award, if the TEBFF PBU decision tree indicates that there is potential PBU, then the sponsored programs office will provide the campus facilities office with the information identified on the decision tree.

- The campus facilities office will use the information to update their space database, to respond to the annual space use survey, or to notify the CO Financing & Treasury/CPDC departments if there is potentially more than the appropriate amount of private use in the facility.

F. Training

Each campus will maintain published guidelines regarding the stewardship of external sponsor and university resources and provides training on financial policies and procedures, as appropriate. The Sponsored Program Administrator shall ensure that Personnel involved in the administration of sponsored programs are knowledgeable about and follow CSU/Campus policies and procedures. Advice and assistance on the financial management policies and procedures of the campus will be made available to Principal Investigators and staff as necessary.

G. State Agreements

The Campus shall have procedures in place for agreements from California State agencies to ensure proper use of the AB20 model agreement (CMA: California Model Agreement) in compliance with Education Code Section 67325 and systemwide guidance.

1. CMA and Terms and Condition Guidance

Refer to [CSU Guidelines](#) regarding implementation of the State/California Model Agreement (CMA/AB20)

H. Award Acceptance and Negotiation

It is the policy of the California State University (CSU) that the Campus shall have a process to review proposed award terms and conditions and to negotiate those terms in accordance with government regulations and CSU/Campus policies and procedures prior to award acceptance. The Campus is responsible for review, negotiation and acceptance of sponsored program agreements and may utilize subject matter experts as needed to ensure that the review and negotiation of agreements comply with CSU/Campus policies and procedures, regulations and applicable laws, using standard templates/agreements when appropriate and possible.

1. Delegation of Authority

In accordance with Campus policies and/or procedures, only those individuals designated in accordance with campus policy are authorized to accept awards on behalf of the University or Auxiliary. Principal Investigators/Project Directors and others, as necessary, should be consulted and kept apprised throughout the review, negotiation, and acceptance process.

Laws, State Codes, Regulations and Mandates

- [Uniform Guidance \(2 CFR Part 200\)](#)
- [Federal Acquisition Regulations \(FARs\)](#) and [Supplemental Regulations](#)
- Education Code [Section 67325 et al: California Model Agreement \(AB20\) for Research, Training](#)

[and Public Services I Collaboration Between UC, CSU and DGS](#)

- [State Contracting Manual \(contracts\)](#) - State of California, Department of General Services (Note: applicable to State agencies, and not necessarily the CSU, but referenced in state contracts)
- Terms and conditions as applicable by individual award
- Useful References: Mayo DJ; D Moody and PA Webb eds. (2017). *Regulation and Compliance: A Compendium of Regulations and Certifications Applicable to Sponsored Programs*. National Council of University Research Administrators. Washington, DC 20036.

Sound Business Practices

- [Award/Contract Acceptance and Negotiation Procedures](#) - San Francisco State University

IV. Award Phase - Award Decisions and Notifications.

A. Sponsored Programs Financial and Award Management

It is the policy of the California State University (CSU) that the Campus shall have a system to manage externally funded programs in accordance with the requirements of government regulations, CSU/Campus policy and procedures and sponsor guidelines. This policy provides guidance to the CSU to ensure each Campus maintains necessary controls for the sound management of Sponsored Programs, regardless of whether the University or Auxiliary is responsible for administration of the sponsored agreement. It is the responsibility of the PI and the Sponsored Program Administrator to adhere to the terms and conditions of the sponsored agreement and to comply with CSU/Campus policies and procedures.

1. Implementation Plan

The Campus shall have procedures in place to identify for each Sponsored Program the PI and staffing needs for the Sponsored Program, if not already specified; in the sponsored agreement, the Principal Investigator and staffing needs for the Sponsored Program; identification of administrative requirements to assist in carrying out sponsored activities; and identification of the person or entity responsible for security, ownership, custody and retention of the Sponsored Program Work Product and Records after completion of the Sponsored Program.

2. Award Management

The Campus will maintain written procedures to establish awards in its accounting system in a timely manner, including receipt of electronic awards, and distribute the necessary sponsored agreement terms and conditions, reporting requirements, deliverables/reports, subrecipient deliverables/reports to PIs and make them available to other campus personnel as required. The Campus will maintain procedures that define and document approval authority; proper accounting and control of cash receipts from sponsored

project invoices; allowability of expenditures in compliance with the sponsored agreement and CSU/Campus policy. The PI is responsible for ensuring that all expenditures are made in compliance with the approved budget and scope of work, the sponsored agreement and Campus policies and/or procedures.

3. Special Project Fund Authority

Special Project funds are monies generated by grants, revenues and funds of any nature received from the federal government, the state, local government or private persons, for research, workshops, conferences, institutes, and special projects. The campus authority and responsibility includes:

- A. Receipt and deposit of monies received for projects.
- B. The entering into of contract for these projects within the Special Project Fund.
- C. The execution of leases for facilities and contracts for services necessary to perform the requirements of any grant, contract, award or gift for the projects, or to provide ancillary services related thereto
- D. The implementation of operating procedures, including the accounting system described in the University and College Administrative Manual, Fiscal Management Section 3713.
- E. Education Code Section 89725 requires an annual audit of each campus "Special Projects Fund Account." This Section provides in part: "All expenditures shall receive an annual post audit by the Audits Division of the Department of Finance." The President may initiate additional audits as desired by the Trustees' Internal Audit staff or a certified public accountant. Copies of all audit reports shall be transmitted to the Chancellor's Office in accordance with this policy.

4. Allowable Costs

It is the policy of the California State University (CSU) that each campus shall have financial controls and procedures in place that ensure costs charged to sponsored projects are reasonable, allowable, allocable, and consistent. Allowable Costs provides guidance to the CSU for the appropriate charging of costs to sponsored projects and does not apply to non-sponsored agreements/projects and specialized service facilities. The campus President or designee must ensure that processes for charging costs to sponsored projects are in compliance with federal cost principles (when applicable), applicable standards of other sponsors, and CSU/Campus policies.

There are four guiding principles or criteria used to determine whether a cost may be charged to a sponsored project: reasonableness, allocability, allowability, and consistency. These criteria apply to direct and indirect charges against the sponsored project and also committed cost match. Each campus will maintain procedures for ensuring that the costs charged to sponsored awards are reasonable, allowable, allocable, and consistent. Procedures should also ensure that cost transfers are made only with adequate justification and in a reasonable period of time, with the reason for the transfer explained and documented.

In accordance with federal regulations (2 CFR §200) and sponsor requirements, there may be certain circumstances when costs that are normally treated as indirect costs can be directly charged to a sponsored project.

5. Cost Sharing and Match Support

It is the policy of the California State University (CSU) that each campus shall establish and maintain policies and procedures to properly monitor and document committed cost sharing in compliance with 2 CFR 200.306 and sponsor requirements.

Each campus conducting research, instruction, and/or other sponsored activities under grants, and other agreements with the Federal government must comply with the specific guidelines required by the external sponsor of a project and the general guidelines established in 2 CFR Part 200 with regard to cost sharing and related matters, as applicable. Cost sharing shall be offered in a proposal only when it is a requirement of the request for proposal or program announcement, unless an exception is made in compliance with Campus policy or procedure. Campus policy shall include any exception criteria, including delegation of authority, for offering voluntary cost-sharing not required as part of the request for proposal or program announcement.

Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Once a proposal is awarded, the cost share is considered accepted and approved. The PI should be made aware of voluntary committed cost sharing expectations.

The campus President or designee must ensure that:

- The campus has written policies and procedures for cost sharing that are consistently applied in proposing, accumulating, and reporting costs both to external sponsors and within the campus.
- The campus policy must define roles and responsibilities of various offices and individuals at the campus for providing sufficient documentation to substantiate the actual cost sharing contribution to the appropriate office for reporting.
- Cost sharing expenditures shall be treated in the same manner as direct costs and meet the standards of allowability, allocability, consistent treatment and reasonableness consistent with federal cost principles and requirements of the sponsor.
- Valuation for third-party and non-Federal entity contributions must be established in accordance with 2 CFR 200.306 (d)-(k) Cost Sharing or Matching and Subpart E—Cost Principles.
- Unrecovered indirect costs, including indirect costs on cost sharing may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.
- When cost sharing is a requirement of a subaward, such commitment is included in subaward documents, monitored and reported to the pass-thru entity and sponsor, as required.

Cost share must be:

- verifiable from the Campus's records and provided during the project period

- necessary and reasonable to accomplish the project's objectives
- identifiable in the approved budget when required by the prime sponsor

Cost share must not be:

- utilized as cost sharing on any other project
- federal funds except where authorized by federal statute

Resources: Laws, State Codes, Regulations and Mandates

Code of Federal Regulations 2 CFR 200

- <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html>
- <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-306.pdf> (200.306)

Related Principles

[COGR Management Practices Document](#)

Useful Guidelines

Factors to consider prior to offering cost-share:

- If resources are committed to a project unnecessarily, they are not available for instances when cost sharing is required.
- Cost sharing - including faculty and staff effort, and non-labor cost sharing dedicated to organized sponsored programs - must be appropriately classified (organized research) for the calculation of an institution's Facilities and Administrative (F&A) cost rate. Cost sharing can have the effect of eroding the campus F&A cost rate.
- All cost-sharing, even voluntary, must be tracked and accounted for in campus records.
- Failure to appropriately account for cost-shared expenditures increases audit risk.
- Documenting and managing cost sharing activities is time consuming and expensive.
- Faculty members who have multiple awards could become over committed, resulting in an inability to substantiate the promised levels of effort.
- Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs, [OMB Clarification Memo M-01-06](#)
- Each campus will develop and maintain its own cost share procedures for non-federal awards as appropriate
- Institutional policies and procedures should clearly identify who is responsible for monitoring subrecipient compliance with cost sharing requirements

6. Effort Reporting

It is the policy of the California State University (CSU) that each campus shall develop and maintain policies and procedures for ensuring compliance with applicable regulations governing employee

compensation under federally funded projects. Each campus conducting research, instruction, and/or other sponsored work under grants, and other agreements funded by the Federal government is required to comply with 2 CFR 200 (specifically section §200.430) which describes the costing principles, criteria, and internal controls required for accurate accounting of employee compensation for personal services rendered under federally funded agreements.

a. Written Policy/Procedure

The campus President or designee must ensure that the Campus has a written policy and/or internal controls for the accurate allocation of compensated effort across multiple funding sources for employees funded in whole or in part by federal funds. The policy should define roles and responsibilities of various offices and individuals at the campus. Under the policy, a number of offices may have the responsibility for managing or contributing to the accurate allocation of compensated effort, including research and sponsored programs administration, academic affairs, the chief financial officer, the chief research officer, human resources, payroll, accounting, budget office, procurement, and extended learning.

Regardless of where responsibilities lie, an effective compensated effort system requires coordination between two or more of the offices listed above. Allocation of compensated effort requires active engagement among a variety of campus offices such as sponsored programs administration staff, sponsored project personnel, and staff from the applicable academic and/or administrative office.

b. Documentation

Standards of documentation for sponsored project personnel compensated on federally funded awards (direct cost or cost share) must be in compliance with 2 CFR 200.430(i). Standards of documentation may include after-the-fact certification of a report that documents the distribution of exempt staff or faculty effort as a reasonable estimate of all work performed during the period covered by the report or a combination of demonstrated compliance with the CSU Additional Employment policy and individual project certification. The individual faculty or staff member may certify his/her own effort in accordance with procedures developed on the campus, or responsible official(s) using suitable means of verification that the work was performed may certify for the individual. Regardless of the methodology, documentation must support the compensated effort allocated to federal awards.

Each campus shall maintain procedures to ensure that the allocation of effort is treated consistently for the same purposes and like circumstances; and may develop and maintain procedures for non-federal awards as appropriate.

Resources: Laws, State Codes, Regulations and Mandates

- [CSU Collective Bargaining Agreement, Unit 3 – Article 20 and Article 36](#)
- [Code of Federal Regulation 2 CFR PART 200 \(§200.430\)](#)
- [CSU Additional Employment Policy HR 2002-05](#)
- [Technical Letter HR/Salary 2015-22](#)

Related Principles:

- [COGR Management Practices Document](#)

Useful Guidelines

- For after-the-fact documentation, reports should show the distribution of all compensated effort, including that covered by institutional base salary and additional employment, regardless of part-time or full-time employment status. For example:
 - Faculty member is appointed 100% as AY instructional faculty and works 25% additional employment on a sponsored project - campuses should show the effort reflected as 100% for instruction and 25% additional employment. For campuses that prefer to show a conversion to a full-time equivalent, the effort reflected on the effort report in this example would be 80% for instruction and 20% for additional employment, equaling 100%.
 - A part-time faculty member who is appointed 25% as a lecturer and 25% on a sponsored project - the effort reflected on the effort report would be 50% for instruction and 50% additional employment, equaling 100%.
- [NCURA](#)
- [OMB Clarification Memo M-01-06](#) from January 5, 2001. "Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Memo"

Frequently Asked Questions

If using after-the-fact certification, what is meant by "responsible official(s) using suitable means"?

A "responsible official using suitable means" to certify an effort report for a faculty member or other employee working on a federally funded project should be someone who has direct or first-hand knowledge of the work being performed on the project.

Is documentation only required for federally funded projects?

The answer is different depending on the documentation used to demonstrate compliance with this requirement:

- After-the-fact certification: If the internal control is an after-the-fact certification, then a certification would be required for any employee with any effort charged or cost-shared to a federally funded project - and the certification covers all compensated effort (regardless of funding source).
- Additional Employment Policy Compliance PLUS individual project certification: If the internal control is a combination of demonstration of compliance with the CSU Additional Employment Policy AND individual project certification, then only the federally funded project(s) require certification (whether the compensated effort is reimbursed time, cost share or additional employment). Further, certification of additional employment may be either before payment or after, in compliance with campus procedure on payment of additional employment.

7. Internal Controls

The Sponsored Programs Administrator will establish an adequate system of internal controls, as well as procedures for timely changes to policies, dissemination of policy changes, and staff training and ensure

that policies and procedures are reviewed and updated periodically for appropriateness and applicability.

8. Prior Approvals

Each campus shall define a process for determining when prior approval is required for any changes in the sponsored agreement, in compliance with government regulations and sponsor guidelines.

9. Property Management Standards

It is the policy of the California State University (CSU) that each campus shall have procedures for managing equipment acquired through grants and contracts in compliance with applicable regulations and/or grant or contract terms and conditions.

The campus president or designee is responsible for ensuring that procedures are developed and maintained to comply with this policy. Equipment purchased with federal or non-federal funds, through an externally funded award (grant, contract, cooperative agreement or other agreement) shall be managed in accordance with institutional policies and subject to sponsoring agency restrictions.

a. Equipment, Federally Funded (Grants)

When purchasing equipment with federal funds, it is the responsibility of the campus to comply with institutional policies related fixed asset management and with federal regulations contained in Code of Federal Regulations (2 CFR 200), Property Standards. Awardees purchasing equipment or equipment components with a purchase price of \$5,000 or greater under federally funded awards are required to comply with specific use, management and disposition requirements in compliance with Section 313 of 2 CFR 200.

A physical inventory shall be taken and the results reconciled with the equipment/fixed asset records at least once every two years for equipment with a per unit fair market value of \$5,000 or greater.

b. Equipment, Other than Federal Grants Funded

When purchasing equipment with funds from a federal contract or non-federal grant or contract source, the campus shall follow institutional policies regarding equipment purchase and disposition or the guidelines in the sponsored agreement, whichever is more restrictive.

c. Transfer of Externally Funded Equipment from an Auxiliary Organization to the University

Any property transferred to the university from an auxiliary organization shall remain subject to the original funding source requirements and tracked accordingly in the university's fixed asset system.

Resources: Laws, State Codes, Regulations and Mandates

- [Administration of University Property](#) policy
- Equipment funded by a state contract may contain language that requires the equipment title to vest with the sponsoring agency upon project completion, in accordance with the State Contracting Manual ([SCMJ Chapter 7.29](#))
- When applicable, for regulations under Federal contracts, refer to - [Federal Acquisition](#)

Regulation (FAR)

- Federal regulations related to property/equipment management - 2 CFR 200: Property Standards, Sections 310 - 316
- **Federal Regulation Requirements (2 CFR 200.313-314)** - Apply to capitalized equipment (with a purchase price greater than \$5,000) for its useful life or supplies with an aggregate total residual value greater than \$5,000 at the end of the federally funded project. Unless a statute specifically authorized the Federal agency to vest title with the campus without further obligation to the Federal government - and the Federal agency elected to do so - the title must be a conditional title. Therefore, title vests in the campus subject to the following conditions:
- **Use (Equipment):** Federally funded equipment must be used by the campus with the following order of priority:
 - A. The program or project for which it was acquired as long as needed, whether or not the project or program continues to be funded by a federal award;
 - B. Activities under a federal award from the federal agency that funded the original project;
 - C. Activities under a federal award from other federal agencies, including consolidated equipment for information technology systems.
Note: When acquiring replacement property, the campus should use the property to be replaced as a trade-in or sell the property and use the proceeds to offset the replacement property cost.
- **Use (Supplies):**
 - A. Title to supplies vests in the University/Auxiliary upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. (See §200.313 Equipment, paragraph (e)(2) for the calculation methodology.)
 - B. As long as the Federal Government retains an interest in the supplies, the non-Federal entity must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.
- **Management:** Equipment records shall be maintained accurately and shall include the following:
 - A. A description of the equipment.
 - B. Manufacturer's serial number or other identifying number.
 - C. Source of the equipment, including the award number.
 - D. Whether title vests in the recipient or the Federal Government.
 - E. Acquisition date and cost.
 - F. Percentage of Federal participation in the cost of the equipment.

- G. Location, use and condition of the property.
- H. Ultimate disposition data, including date of disposal and sales price of the property.
- **Disposition:** When equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency (as indicated above under "Use"), the campus must request disposition instructions from the federal awarding agency if required by the terms and conditions of the federal award. If the campus is authorized or required to sell the property by the federal agency, proper sales procedures must be followed to ensure the highest possible return. Refer to 2 CFR 200.313(e)(2). Items of Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. Refer to 2 CFR 200.313(e)(1).

10. Procurement of Property Standards

It is the policy of the California State University (CSU) that each campus shall have procedures in place to comply with the federal regulations governing federally funded procurement activities.

This policy provides guidance to the CSU to ensure compliance with the Procurement Standards under 2 CFR 200 for federally funded procurement activities. The campus shall follow the stricter of the Federal Procurement Standards, [CSU Contracts and Procurement Policy](#), or campus policy. This policy identifies areas where the Federal Procurement Standards are more stringent than the [CSU Contracts and Procurement Policy](#).

a. Procurement of Federally Funded Goods

Methods of Procurement: Small Purchase

In general, CSU policy may be more strict than the Federal Procurement Standards related to competitive bids. When the campus policy is stricter than Federal policy, the stricter documented policy should be followed. In addition to compliance with CSU and/or campus policy related to procurement bid thresholds, the campus shall implement procedures to comply with the Federal Procurement Standards related to Small Purchases that fall between the "Micro-Purchase" and the Simplified Acquisition Thresholds, as defined under Section 2.1 of the Federal Acquisition Regulations (FAR) and 41 USC 1902 for Institutions of Higher Education. Refer to Guidelines under this policy for a competitive bid matrix that will be revised as the federal thresholds and/or CSU thresholds that determine method of procurement are updated.

Conflicts of Interest

Campus shall have procedures in place to prevent conflicts of interest for employees engaged in the selection, award and administration of procurement agreements under federally funded projects. When conflicts of interest are disclosed, the campus must follow their sponsored programs conflict of interest policy to address or manage such conflicts.

Resources: Laws, State Codes, Regulations, and Mandates

Campuses must have and use documented procurement procedures, consistent with the standards of Uniform Guidance ([§§ 200.317](#), [200.318](#), and [200.319](#)) for the acquisition of property or services

required under a Federal award or sub-award, using methods of procurement provided, including Informal Procurement Methods, Micro-purchases and Small Purchases; Formal procurement methods, Sealed bids, Proposals and Noncompetitive procurement.

- Micro-purchase must also include:
 - *Non-Federal entity increase to the micro-purchase threshold up to \$50,000.* Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with [§ 200.334](#). The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:
 - A qualification as a low-risk auditee, in accordance with the criteria in [§ 200.520](#) for the most recent audit;
 - An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
 - For public institutions, a higher threshold consistent with State law.

11. Subaward Management

It is the policy of the California State University (CSU) that each campus shall have financial controls and procedures in place to ensure compliance with sponsor requirements for subrecipient monitoring. This policy provides guidance to the CSU to ensure financial and programmatic responsibility for contractual subrecipient relationships.

a. Applicability

This policy does not apply to consultant agreements or procurement of goods or services from vendors/contractors. This policy applies to subrecipients on federal awards as defined by 2 CFR 200.

b. Risk Assessment

The Campus must establish and maintain procedures for subrecipient risk assessment and monitoring on federal awards in compliance with 2 CFR 200, applicable standards of other sponsors, CSU and Campus policies and/or procedures. Campus procedures shall provide consideration for documentation of compliance with minimum requirements of 2 CFR 200 as it relates to subrecipient monitoring, giving consideration to high risk subrecipients as necessary.

c. Subawards Between CSU Campuses

A risk assessment is not necessary for subawards within the CSU (for Universities and Auxiliaries) as the Chancellor's Office keeps track of information that is required for compliance with 2 CFR 200. Single Audit Reports, including any corrective action plans - and other information required for monitoring and FFATA reporting are available on the Sponsored Programs intranet web page.

Resources: Laws, State Codes, Regulations and Mandates

- Subrecipient Monitoring & Management 2 CFR 200.331-333
- From 2 CFR 200.331 - potential procedures for compliance with the requirements for subrecipient monitoring/management
 - Policies and procedures that identify the roles and responsibilities for evaluating, issuing and monitoring subrecipient agreements.
 - Procedures to ensure all recipients of federal funds meet eligibility requirements in accordance with federal regulation.
 - Procedures to apply the Indirect Costs Rate of subrecipients in accordance with 200.331 (a)(4).
 - Policies and procedures to execute written agreements to subrecipients inclusive of applicable data elements and flow-down terms and conditions for compliance with the Prime award.
 - Procedures to evaluate subrecipient risk and determine whether entity has adequate management, financial systems, and internal controls to comply with the terms and conditions of the award.
 - Procedures to identify when additional methods of monitoring, technical assistance and training that may be useful to ensure compliance with the performance of the award.
 - Procedures that are responsive with subrecipient reporting requirements (FFATA) designated by the awarding agency.
 - Procedure to conduct audit reviews, evaluate corrective action plans and determine remedies for noncompliance.
 - Procedures for the PI to review and approve the subrecipient's programmatic performance and invoices.
 - Procedures for closeout in accordance applicable sponsor terms and conditions.
 - Procedure to conduct audit reviews, evaluate corrective action plans and determine remedies for noncompliance.

V. Post Award - Implementation, Reporting, and Closeout.

A. Reporting

1. Financial Reporting

The Campus shall maintain procedures to ensure that all fiscal reports (including final reports) and invoices are prepared and submitted, on a timely basis, to Sponsors in accordance with the terms and conditions of the sponsored agreement. The Campus shall maintain procedures to ensure there is a system in place to document required cost sharing on awards and report to sponsor, if applicable. (Refer to Section G., Closeouts)

a. Reporting; Technical and Other Reports

It is the policy of the California State University (CSU) that each campus shall have policies and/or procedures in place to ensure compliance with sponsor reporting and record retention requirements.

The successful administration of awards is a shared responsibility between the Principal Investigator (PI) and the designated office of record at the Campus. This policy requires that each Campus ensure that guidelines are established to comply with sponsor reporting requirements and met in accordance with all applicable laws, regulations, and funder guidelines which may include technical, financial, compliance reporting and document/record retention.

Refer to the [CSU Records Retention policy](#) and Sponsored Programs record retention schedule (10.0) for record retention requirements.

Resources: Laws, State Codes, Regulations, and Mandates

- Uniform Guidance - [2 CFR Part 200](#)
- [Federal Acquisition Regulations \(FARs\) and Supplemental Regulations](#)
- [Freedom of Information Act \(FOIA\)](#)
- [The Richard McKee Transparency Act of 2011 \[92950 - 92961\]](#)
- NIH PubMed Central - publication requirements <https://publicaccess.nih.gov>
- Government Code [13989.6](#).

Sound Business Practices

- University of Colorado Boulder ["How To" Guide for Reporting Requirements](#)
- SFSU - [Record Retention](#)
- University of Utah- [Award Management](#)

Public Access

- [California State University Public Records Act](#)
- [CSU Auxiliary Organizations Transparency and Accountability Act \(SB 8\)](#)

Useful Guidelines

- [Council on Government Relations \(COGR\)](#)
- [CSU Records Retention chart](#) (Schedule 10.0 for Sponsored Programs)

Related Principles

- Human Subjects in Research
- Animal Welfare
- Intellectual Property
- Financial Conflict of Interest
- Data Security
- Biosafety

- Closeout
- HIPPA
- FERPA
- Responsible Conduct of Research
- Invention Disclosures (iEdison)
- Export Control
- UAS/ UAV

2. Closeout

It is the policy of the California State University (CSU) that each campus shall have procedures in place to ensure timely closeout of sponsored programs including the submission of all sponsored required deliverables in accordance with the requirements of each sponsoring agency. Campus policy/procedure shall ensure compliance with applicable federal and state regulations and sponsor closeout requirements.

For federally funded projects, Campus procedure must comply with Closeout regulations in 2 CFR 200, which requires submission of all applicable reports and documents within 90 days of project end date unless an extension is approved by the federal agency.

Laws, State Codes, Regulations and Mandates

- [2 CFR §200](#)
- [200.1 Definitions](#)
- [2 CFR §200.343 – Closeout, regulation](#)

Useful Guidelines

- Establish process to manage variations across agencies for closeout deadlines and expectations
- Communicate to PIs the importance of meeting the compliance obligations of final technical report submissions;
- Communicate requirements for final non-technical report, such as financial, invention, equipment and cost sharing submissions to responsible parties, when applicable;
- Maintain procedures regarding record retention and access to financial and administrative records generated under sponsored programs;
- Document that transactions were incurred within the allowable period of the sponsored agreement and obligations under the award have been liquidated;
- Maintain processes for timely final invoicing and payment.

B. Audit Requirements

It is the policy of the California State University (CSU) to have a system for compliance assessment and audit that demonstrates that the institution complies with federal, state, institutional, and other sponsor regulations and policies. Each campus shall establish a written directive for Audit Monitoring and

Resolution compliant with this policy and where applicable.

The campus President or designee must ensure that the campus:

1. Has a procedure for ongoing review of its finances, compliance with its administrative directives, conformance with governmental laws and regulations, and adequacy of internal controls.
2. Complies with government auditing requirements with respect to its federal programs or other sponsor requirements.
3. Develops and implements corrective action plans in response to audit findings or recommendations.
4. Alerts the Chancellor's Office Sponsored Programs Director of potential findings that challenge the adequacy of a systemwide policy or indicates a risk or concern that may have systemic implications.
5. Submits to the Chancellor's Office findings or recommendations meeting the following criteria:
 1. Challenges the adequacy of a systemwide policy.
 2. Indicates a risk or concern that may have systemic implications.
6. Submits the Single Audit Report to the Chancellor's Office on an annual basis and evidence of implementation of corrective action plans, if applicable.

Chancellor's Office Sponsored Programs Administration will maintain adequate procedures to:

1. Monitor findings, recommendations and corrective action plans (CAP) submitted for review by campuses.
 - A. Annual Single Audit: Review the implementation status of corrective action plans developed by campus management.
 - B. Publish CSU campus and auxiliary recommendations and CAPs to the SPA systemwide intranet page for compliance with subrecipient monitoring policy.
 - C. Systemwide Policy Issues: In consultation with campus sponsored programs administration office directors, coordinate the development and revision of sponsored programs policies and the development of tools and training materials to improve internal controls of systemwide sponsored programs.

Resources: Laws, State Codes, Regulations and Mandates

- [2 CFR Subpart F - Audit Requirements](#)
- GC 13402 - https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=3.&chapter=5.&article=

Related Principles

- Uniform Guidance, 2 CFR Section 200.500, Sub Part F, Audit Requirement
- Council on Governmental Relations (COGR) - Management Practices Document - Principles: <http://www.cogr.edu/>
- Committee of Sponsoring Organizations, Internal Control Framework (COSO) - www.coso.org

- AOA - RAC Subcommittee - www.csuaoa.org (log-in required)

VI. Definitions

Allowability: The determination of whether or not costs can be charged to a sponsored project as a direct or F&A cost.

Auxiliary: A CSU organization which is (a) included in the list of auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, infra, and/or (b) which is an organization specified in Education Code Section 89900, which is any organization using the name of the State or a campus, or representing an official relationship with a campus, or in which any campus official participates as a director as part of his official position. **(5 CCR 42400, Definition)**

Campus: For Sponsored Programs, Campus means either the University or the Auxiliary/Foundation.

Compensated Effort: Compensation for effort consisting of campus assignment, reimbursed time, additional employment, direct pay, and cost share for faculty and staff performing services under Sponsored Projects.

Consistency: A cost is considered to be treated consistently when the expense is treated as either a direct or F&A cost under like circumstances.

Contract: An agreement between the University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a *quid pro quo* relationship between the parties.

Contractor: See Vendor/Contractor.

Cost Sharing: Represents that portion of project or program costs not borne by the sponsor (generally the federal government). Cost sharing can be voluntary or mandatory (that is, required by means of a statute or law), and can take the form of either cash or in-kind contributions.

- **Cash:** Represents actual verifiable expenditures from the recipient or from non-Federal third parties - and includes costs incurred by the University or Auxiliary, including indirect costs.
- **In-kind:** Represents the value of all noncash contributions, including services and property provided by non- Federal third parties.
- **Mandatory:** Required by the sponsor or funding agency supporting the sponsored project. Some sponsors require that the recipient of an award provide some level of cost sharing or matching costs as a condition of receiving the award.
- **Voluntary:** The portion of the project costs that the campus provides on its own initiative when the sponsor does not require cost share or the amount of cost share provided is more than the sponsor's mandatory requirement.
 - **Voluntary Committed:** Quantified and included in the proposal budget and award; becomes a binding requirement of the award.
 - **Voluntary Uncommitted:** Effort that is over and above that which is committed and

budgeted for in a sponsored agreement. Voluntary uncommitted effort is not required to be documented or tracked.

Direct Costs: General. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as an award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also §200.405 Allocable costs. (From UG **§200.413**)

Facilities & Administrative Costs: See Indirect Costs.

Gift: Any item of value given to the University by a donor who expects nothing of value in return, other than recognition and disposition of the gift in accordance with that donor's wishes. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of good stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."

Grant: A financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually require deliverables/progress reports and/or final report - and an accounting of the use of funds or return of unused funds.

Indirect (F&A) costs: Those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on a basis that will produce an equitable result in consideration of relative benefits derived. (From [UG §200.56](#))

Policy: A definite course or method of action to guide and determine present and future decisions and describe the rules that establish what will or will not be done.

Principal Investigator: The individual (whether referred to in the Contract or Grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsored Program Administrator to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the Sponsored Program.

Nongovernmental Investigator: For non-governmentally funded projects, a Principal Investigator ("Investigator") who has primary responsibility for the scientific and technical conduct and reporting of a research project funded by a nongovernmental entity.

PHS Investigator: Investigator means the project director or principal Investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by the PHS, or proposed for such funding, which may include, for example, collaborators or consultants.

NSF Investigator: The term "Investigator" means the principal investigator, co-principal investigators/co-project directors, and any other person at the organization who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

Note: For purposes of policy, regardless of funding source, "Investigator" also includes the investigator's spouse/domestic partner and dependent children.

Private Business Use: When space in a tax-exempt, bond-funded facility (TEBFF) is utilized by nongovernmental/non-university entities (including the Federal government); or utilized for purposes that provides a non-governmental entity with special legal entitlements with respect to the use of a TEBFF.

Procedure: Describe the critical steps undertaken to achieve policy intent; internal controls that demonstrate compliance with policies/regulations.

Reasonableness: A cost is reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Recipient: The University or Auxiliary designated as the Sponsored Program Administrator and awarded a Contract or Grant. The Recipient is either the University or Auxiliary, as the case may be, even if a particular component is designated in the award document, and shall not be an individual, department or other constituent unit.

Related Principles: Principles are codified norms, rules, or values that represent what is desirable and positive for the organization.

Research: From [45 CFR 46.102](#), "Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge." The term encompasses basic and applied research. Basic research is defined as systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. Applied research is defined as systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

Salary Cap: A limitation imposed by the Sponsor on the amount of salary that can be directly charged to projects.

Significant Financial Interest: Anything of monetary value, including but not limited to salary or other payments for service (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options); being an owner, partner, director or officer in a non-publicly held company or entity; and, intellectual property rights (e.g., patents, copyrights) and royalties from such rights. Refer to the [CSU FCOI Disclosure Requirements by Funding Source Chart](#) for specific definitions for each funding source.

Sound Business Practices: A set of practices that contribute to achieving compliance and a targeted level of quality.

Specialized Service Facilities: A Specialized Service Facility (SSF), as defined by 2 CFR 200.468, is an operating unit that provides highly complex or specialized services to internal or external users.

Sponsor: The party/entity paying for services or other economic benefit under a Contract or providing financial assistance/contribution for a project or activity under a Grant.

Sponsored Agreement: A Contract, Grant, or other agreement from the Sponsor to the Campus.

Sponsored Projects: A project resulting from a grant, contract, or other agreement between the Campus and a Sponsor.

Sponsored Program(s): Programs for work performed under Grants or Contracts funded by non-CSU funding sources (including non-CSU funded Contracts and Grants that are subsequently subcontracted to another campus).

Sponsored Program Administrator: The entity (University or Auxiliary) designated by the Campus to administer the Sponsored Program.

Sponsored Program Records: Include, but are not limited to, accepted proposals and applications; Contracts or Grant agreements; program reports and data; correspondence; budgets and supporting financial documentation; supporting human resources documentation; and other records relating to receipt, review, award, evaluation, status and monitoring of Sponsored Programs.

Sponsored Program Work Product: Any work created in the performance of a Sponsored Project. Unless the Contract or Grant states otherwise, Sponsored Program Work Product does not include journal articles, lectures, images, books or other works that are subject to copyright protection and have been created through independent academic effort and based on the findings of the Sponsored Program.

Subaward: An award (subgrant or subcontract) of financial support from a prime awardee/pass-through entity to a qualified organization for the performance of a substantive portion of the programmatic effort funded under the prime award. This term also includes awards made by a sub-recipient to a lower tier subrecipient. It does not include payments to a contractor or payments to an individual that is a beneficiary of the program.

Subrecipient: The legal entity to which a subaward is made and which is accountable for the use of the funds provided in carrying out a portion of the prime awardee's/pass-through entity's programmatic effort under a sponsored project. A subrecipient has responsibility for programmatic and/or administrative decision making and adherence to the applicable sponsor program compliance requirements. The term may include institutions of higher education, non-profit organizations, for-profit corporations, and foreign or international organizations at the discretion of the Federal awarding agency.

University: One of the campuses of the California State University or the Office of the Chancellor.

Useful Guidelines: Non-mandatory, supplemental information about acceptable methods for implementing policy requirements.

Vendor/Contractor: A Vendor/Contractor is responsible for providing goods or services necessary to conduct the research or other programmatic effort, but is not responsible for the results of the research or effort. Vendors/Contractors provide similar goods or services to many different purchasers. A Vendor/Contractor is only required to meet the terms of the procurement agreement and is not subject to compliance requirements of a Federal (or other) Sponsor.

VII. Authority

This policy is issued pursuant to [Section II of the Standing Orders of the Board of Trustees of the California State University](#) as further delegated by the [Standing Delegations of Administrative](#)

Authority. The president may delegate authority and responsibility described in this policy to other campus officials pursuant to Section VI of the Standing Orders of the Board of Trustees of the California State University.

All Revision Dates

9/21/2023

Approval Signatures

Step Description	Approver	Date
EVC	Steven Relyea: Executive Vice Chan & CFO	9/28/2023
Area Manager/Owner	Melissa Mullen: Dir, Sponsored Prog	9/28/2023
Area Manager/Owner	Bradley Wells: Assoc VC, Business & Finance	9/28/2023

Codes

EO 0890, ICSUAM 11001.00, ICSUAM 11001.01, ICSUAM 11002.01, ICSUAM 11002.03, ICSUAM 11002.04, ICSUAM 11002.05, ICSUAM 11002.06, ICSUAM 11002.07, ICSUAM 11003.03, ICSUAM 11003.04, ICSUAM 11003.05, ICSUAM 11003.06, ICSUAM 11003.07, ICSUAM 11003.11, ICSUAM 11003.12, ICSUAM 11003.13, ICSUAM 11005.00, ICSUAM 11010.02