

ICSUAM
Section 11000
Sponsored Programs
Administration

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11000.00 | SPONSORED PROGRAMS ADMINISTRATION

Policy Effective Date: 12/26/2014

Last Revision Date: 7/12/2017

POLICY OBJECTIVE

To provide direction and notification to campuses in relation to the implementation of the Federal Government's Uniform Guidance, Code of Federal Regulations, Title 2, Section 200 (2 CFR 200), effective December 26, 2014.

POLICY STATEMENT

The policies in ICSUAM Section 11000 are all subject to revision as a result of the implementation of the Federal Government's Uniform Guidance, Code of Federal Regulations, Title 2, Section 200 (2 CFR 200) – effective December 26, 2014. A team of CSU subject matter experts are reviewing and updating current policies related to the administration of sponsored programs in the CSU. Policy revisions are anticipated soon and will be published for comment as they become available.

While policies are under review/revision, university departments and auxiliary organizations responsible for the administration of federally funded awards (not applicable to Student Financial Aid awards) will be required to follow the new regulations, as applicable, under 2 CFR 200. Federal regulations should be applied as follows:

Awards Subject to 2 CFR 200:

1. All federal awards awarded on or after December 26, 2014.
2. All subawards issued from a prime federal award dated on or after December 26, 2014.
3. Awards issued prior to December 26, 2014 with new funding added on or after December 26, 2014, in accordance with federal agency award modification.

Awards Subject to OMB Circulars A-21, A-110 and A-133:

1. Awards issued prior to December 26, 2014, unless awarding Federal agency notifies recipients that the new guidance is effective on awards issued prior to December 26, 2014 (see #3 above).

Exceptions:

1. The Uniform Guidance Audit Section (2 CFR 200, Subpart F) was implemented with the fiscal year beginning July 1, 2015.
2. **Procurement Standards Sections (2 CFR 200, Subpart D .317-.326) Update: A May 17, 2017 Federal Register Notice 2017-09909 confirmed that an additional one-year grace period for implementation of 2 CFR 200.317-326 has been approved.**
 - a. **Effective date: May 17, 2017**
 - b. **Implementation date: For all non-Federal entities, there is an additional one-year grace period for implementation of the procurement standards in 2 CFR 200.317 through 200.326. This means the grace period for non-Federal entities extends through December 25, 2017, and the implementation date for the procurement standards will start for fiscal years beginning on or after December 26, 2017. This represents a three-year grace period for implementation of the procurement standards in 2 CFR 200.317 through 200.326.**
 - c. Grantees are not required to follow the Uniform Guidance Procurement Standards (2 CFR 200,.317-.326) until the end of three full fiscal years following the Uniform Guidance implementation date of December 26, 2014 – which means the effective date for compliance with the updated procurement standards for the CSU will be **July 1, 2018**.

Policy Updates and Notifications

Updates and notifications will be published below until revised policies are posted.

Procurement Standards

All campuses will continue to follow the Procurement Standards required under OMB Circular A-110 (Subpart C, Sections 40-48) on federally funded awards from December 26, 2014 through June 30, 2018. If a CSU campus or auxiliary organization chooses to implement the new Procurement Standards applicable to federal awards under 2 CFR 200 prior to July 1, 2018, they will update their policies and procedures accordingly. A new sponsored programs systemwide policy will be drafted to address the micro-purchase threshold and any other changes related to federally funded procurement activities. The draft will be sent out for review and will be posted to ICSUAM prior to the implementation date of July 1, 2018.

Effort Reporting

While the systemwide Effort Reporting Policy (11003.06) is under review, sponsored programs offices should continue to follow their current OMB Circular A-21 compliant policies related to effort reporting and certification until updated effort reporting guidance or policy is available – or the campus sponsored programs office updates its local policy in accordance with 2 CFR 200.430.

Executive Vice-Chancellor/Chief Financial Officer

11001.00 | SPONSORED PROGRAMS ADMINISTRATION INTRODUCTION

Policy Effective Date: 12/1/2011

Last Revision Date: 12/1/2011

POLICY OBJECTIVE

The policies contained in ICSUAM Section 11000 serve as the fundamental system-wide requirements governing the California State University's (CSU) involvement with the solicitation, acceptance and administration of awards from extramural sponsors for the conduct of research and scholarly activity, and other sponsored activities.

POLICY STATEMENT

The policies in ICSUAM Section 11000 are intended to support the individual policies and/or procedures maintained by the 23 campuses and the Chancellor's Office related to the financial management of sponsored programs. Campus (in this ICSUAM Section, Campus means the University and/or Auxiliary) policies and procedures should conform to the requirements included herein, but may vary significantly in detail from campus to campus based on the specific circumstances of the Campus. Where Campus policies are silent or nonexistent, the CSU systemwide policy will prevail; where the Campus policy is more prescriptive yet closely parallels the systemwide policy, the Campus policy will prevail; where Campus policy conflicts with systemwide policy, the CSU systemwide policy will prevail.

In accordance with CSU policy, the President or designee must ensure that appropriate policies and procedures are maintained, ensuring that the designated sponsored programs administrator demonstrates compliance with relevant federal and state regulations and guidelines.

Policies in this Section may be applicable to Federally funded construction or infrastructure projects, but do not apply to State construction grants to the extent they are subject to the policies and procedures in ICSUAM Section 9000 Capital Construction and Facilities Management. This Section does not apply to awards **solely** for student scholarships, grants, loans, or work study programs within the scope of CSU campus Financial Aid Offices.

Primary responsibility for publishing and maintaining this section of ICSUAM is assigned to the Executive Vice Chancellor/Chief Financial Officer and Assistant Vice Chancellor for Financial Services, in collaboration with the Director of Sponsored Programs and other offices as appropriate.

Executive Vice-Chancellor/Chief Financial Officer

11001.01 | SP POLICY DEFINITIONS

Policy Effective Date: 12/1/2018

Last Revision Date: 12/1/2018

Definitions

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

Allocability: A cost is allocable to a particular sponsored project, if the goods or services involved are chargeable or assignable in accordance with relative benefits received or other equitable relationship.

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: In ICSUAM Section 11000 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:** That 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 and 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 bases 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.

Investigators: (*Financial Conflict of Interest #11010.02*)

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 #11010.02, 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 non-governmental/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.

11002.01 | SPONSORED PROGRAMS GENERAL POLICY STANDARDS AND REQUIREMENTS

Policy Effective Date: 7/1/2019

Last Revision Date: 6/24/2016

POLICY OBJECTIVE

It is the policy of the California State University (CSU) that 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.

POLICY STATEMENT

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 (throughout this policy section Campus shall refer to any department of the University or Auxiliary with any responsibility for the administration of externally sponsored agreements, as defined in ICSUAM 11001.01) administering Sponsored Programs to ensure that the Campus maximizes the benefits of Sponsored Programs and supports faculty, students, and administrators in effectively securing and managing Sponsored Programs.

100 President's Responsibility

The president of each campus is responsible for the educational effectiveness, academic excellence, and general welfare of the campus over which s/he presides. The president shall require that the University and the Auxiliary operate in conformity with applicable law and the 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.

200 Written Policy

Each Campus shall maintain written policies or procedures on the management of Sponsored Programs Administration that are consistent with policies in Section 11000 of ICSUAM and other policies related to risk management, environmental health and safety, conflicts of interest, research misconduct and other applicable CSU and campus policies. In the event that 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.

300 External Award Recipient

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.

301 Auxiliary Operating Agreement – Addendum for Administration of Sponsored Programs

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.

305 State Agreements

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

400 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 PI's resignation, incapacitation, or failure or refusal to perform the duties of the sponsored program adequately, in compliance with sponsor regulations and campus policy.

401 Conduct of Sponsored Research

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.

500 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.

501 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.

502 Externally Funded Projects in Tax-Exempt Bond-Funded Facilities

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.

Executive Vice-Chancellor/Chief Financial Officer

11002.03 | PRE-AWARD PROPOSAL REVIEW AND APPROVAL

Policy Effective Date: 7/1/2018

Last Revision Date: 7/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

The Campus policy and/or procedure shall ensure compliance with applicable Federal and State regulations, CSU policies and sponsor guidelines regarding proposal submission.

100 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.

200 Pre-Acceptance/Spending Approvals.

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.

300 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.

400 Notice.

The campus shall provide for 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.

500 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 100, above, includes approval of the proposed indirect cost rate in accordance with CSU policy and Campus procedure on indirect/F&A cost.

Executive Vice-Chancellor/Chief Financial Officer

11002.04 | AWARD ACCEPTANCE & NEGOTIATION

Policy Effective Date: 11/1/2018

Last Revision Date: 11/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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.

100 Delegation of Authority. In accordance with Campus policies and/or procedures, only those individuals so designated are authorized to accept awards. Principal Investigators/Project Directors and others, as necessary, should be consulted and kept apprised throughout the review, negotiation and acceptance process.

200 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.

Executive Vice-Chancellor/Chief Financial Officer

11002.05 | SPONSORED PROGRAM MANAGEMENT

Policy Effective Date: 11/1/2018

Last Revision Date: 11/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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 Principal Investigator 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.

100 Implementation Plan. The Campus shall have procedures in place to identify for each 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.

200 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 Principal Investigators and also 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 Principal Investigator 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.

300 Fiscal 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.

400 Award Close Out: The Campus shall establish procedures regarding the proper sponsored program close out in compliance with any applicable government regulations or CSU/Campus policy and/or procedures. See [ICSUAM 11003.11](#).

500 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.

Executive Vice-Chancellor/Chief Financial Officer

11002.06 | SUBRECIPIENT MONITORING

Policy Effective Date: 9/1/2018

Last Revision Date: 12/1/2011

POLICY OBJECTIVE

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.

POLICY STATEMENT

This policy provides guidance to the CSU to ensure financial and programmatic responsibility for contractual subrecipient relationships.

100 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.

200 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.

300 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.

Executive Vice-Chancellor/Chief Financial Officer

11002.07 | REPORTING & RECORDS MANAGEMENT

Policy Effective Date: 11/1/2018

Last Revision Date: 11/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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 for record retention requirements.

Executive Vice-Chancellor/Chief Financial Officer

11003.03 | INDIRECT COST/F&A RATE AGREEMENTS

Policy Effective Date: 7/1/2018

Last Revision Date: 7/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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.

100 Federally Negotiated F&A Rate Agreement.

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

200 Indirect/F&A 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.

300 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 funding may be submitted using a lower indirect/F&A cost rate. Refer to current Sponsored Programs Guidance on the 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.

400 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.

Executive Vice-Chancellor/Chief Financial Officer

11003.04 | PROPOSAL COSTING

Policy Effective Date: 11/1/2018

Last Revision Date: 11/1/2018

POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus maintain procedures related to proposal cost estimating for Campus proposals for externally-funded programs.

POLICY STATEMENT

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.

Executive Vice-Chancellor/Chief Financial Officer

11003.05 | ALLOWABLE COSTS

Policy Effective Date: 9/1/2018

Last Revision Date: 12/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

This policy 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 (refer to ICSUAM Definitions Policy 11001.01). 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.

Executive Vice-Chancellor/Chief Financial Officer

11003.06 | COMPENSATED EFFORT

Policy Effective Date: 9/1/2018

Last Revision Date: 12/1/2011

POLICY OBJECTIVE

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.

POLICY STATEMENT

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.

100 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.

200 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.

Executive Vice-Chancellor/Chief Financial Officer

11003.07 | COST SHARING

Policy Effective Date: 9/1/2018

Last Revision Date: 12/1/2011

POLICY OBJECTIVE

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.

POLICY STATEMENT

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

Executive Vice-Chancellor/Chief Financial Officer

11003.11 | PROJECT CLOSEOUT

Policy Effective Date: 11/1/2018

Last Revision Date: 11/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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.

Executive Vice-Chancellor/Chief Financial Officer

11003.12 | FEDERALLY FUNDED PROCUREMENT

Policy Effective Date: 7/1/2018

Last Revision Date: 7/1/2018

POLICY OBJECTIVE

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.

POLICY STATEMENT

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 procurement standards included under ICSUAM policy section 5000 or campus policy. This policy identifies areas where the Federal Procurement Standards are more stringent than the CSU procurement standards (ICSUAM 5000).

100 Methods of Procurement: Small Purchase

In general, CSU policy is more strict than the Federal Procurement Standards related to competitive bids, except for the "micro-purchase" threshold. 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.

200 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.

Executive Vice-Chancellor/Chief Financial Officer

11003.13 | EXTERNALLY FUNDED EQUIPMENT & PROPERTY MANAGEMENT

Policy Effective Date: 9/1/2018

Last Revision Date: 6/16/2015

POLICY OBJECTIVE

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.

POLICY STATEMENT

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.

100 FEDERALLY FUNDED (GRANTS)

101 Equipment

When purchasing capitalized 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.

102 Supplies

Awardees are required to track supplies and materials (including cost of computing devices) purchased under federally funded grants with a total aggregate residual value of \$5,000 or greater at the end of the project period in accordance with Section 314 of 2 CFR 200.

200 FUNDING OTHER THAN FEDERAL GRANTS

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.

300 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.

Executive Vice-Chancellor/Chief Financial Officer

11005.00 | AUDIT MONITORING AND RESOLUTION

Policy Effective Date: 9/1/2018

Last Revision Date: 12/1/2011

POLICY OBJECTIVE

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.

POLICY STATEMENT

Each campus shall establish a written directives for Audit Monitoring and Resolution compliant with this policy and where applicable, ICSUAM Section(s) 11000 Sponsored Programs Administration.

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:
 - a. Challenges the adequacy of a systemwide policy.
 - b. 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.

Executive Vice-Chancellor/Chief Financial Officer

11010.02 | FINANCIAL CONFLICT OF INTEREST FOR INVESTIGATORS

Policy Effective Date: 9/1/2018

Last Revision Date: 5/15/2015

POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus shall have procedures to comply with conflict of interest regulations related to investigators, students and staff engaged in sponsored research activities.

POLICY STATEMENT

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.

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)

Executive Vice-Chancellor/Chief Financial Officer