

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD and the CSUB FOUNDATION**

## **PROJECT ADMINISTRATION GUIDE**

For use by Principal Investigators and their staff in conducting sponsored projects and campus programs administered by the California State University, Bakersfield and the CSUB Foundation.

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## **FOREWORD**

*This Project Administration Guide (PAG) is designed to provide project directors, principal investigators, and their staff information about the required approvals, campus policies and operational procedures that relate to the management and administration of Grants and Contracts after they have been awarded (Post-Award) to the California State University Bakersfield or the CSUB Foundation. Guidance relating to Pre-Award activities, policies and procedures can be found in the OSRC manual and obtained by contacting the Graduate Studies and Research office.*

*The guide broadly covers those Post-Award policies and procedures that most directly affect you and is meant to serve as a general information source only. For details not provided in this guide, you are encouraged to contact the Grants and Contracts officer in the CSUB Foundation office. Future Foundation policies and procedures, including changes to those presented here, will be made available as updates occur.*

*The PAG is not intended to create, nor is it to be construed to constitute, a contract between Foundation and any of its employees, principal investigators or other project staff.*

*Comments and questions concerning the guide are welcome at any time.*

*C. Randal Bye  
Foundation Manager  
CSUB Foundation  
June 2004*

### **Organizational Structure**

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD (the “University”) is one of the twenty-three campuses in the CALIFORNIA STATE UNIVERSITY system. The system was established under the State of California Education code as an agency of the State of California. The CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, FOUNDATION (the “Auxiliary”) is a Not for Profit, Public Benefit Corporation operating as a qualified auxiliary organization in support of CSUB. The Board of Directors, in accordance with the Foundation’s Articles of Incorporation and Bylaws, are the governing body of the Foundation. The CSUB Foundation Manager is accountable and responsible to the Board of Directors for management of the CSUB Foundation.

### **Sponsored Program Administrator**

Sponsored Program Administrator (SPA) means the entity (University or Auxiliary) designated by the institution to administer the Sponsored Program. In many cases, the CSUB Foundation is the Sponsored Program Administrator, or the contracting agency for externally sponsored research and training projects on behalf of the university and the principal investigator. The Sponsored Program Administrator also acts as the designated fiscal agent of the University in the administration of these contracts. For information regarding criteria used to determine designation of Sponsored Program Administrator see the MASTER AGREEMENT Between Campus and Foundation attached hereto.

### **Pre-Award**

The CSUB Office of Research and Sponsored Programs (“ORSP”) [previously Graduate Studies and Research] is the unit responsible for the identification and dissemination of grant information to the University community. The ORSP receives and distributes information

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regarding federal, state and private funding sources. The office maintains a database of faculty interests that allows the staff to match up grant opportunities with appropriate faculty. ORSP also provides program guidelines and application materials, information about agencies, the federal budget, and maintains a file of sample-funded proposals. Known as the "pre-award" unit, the ORSP assists CSUB faculty in all aspects of proposal preparation and submission. The ORSP staff will assist CSUB faculty and staff to develop and submit proposals and budgets, prepare prospectuses, edit and critique proposals, facilitate human and animal subjects approvals, and negotiate awards. It is a CSUB policy that **ALL** Grant proposals are first routed to the ORSP office **before** submission to funding agency. More information on these policies and procedures can be obtained by calling the ORSP office.

### **Post-Award**

This guide is directed at "Post-award" activity and intended to provide guidance for all post-award administrative and financial services for sponsored research funds. The CSUB Foundation Grants and Contracts department coordinates all post-award administrative and financial services for sponsored research funds for Grants awarded in which the Auxiliary is designated as the Sponsored Program Administrator (SPA) and the Fiscal Services Department of the University will perform such services for Grants awarded in which the University is designated as the Sponsored Program Administrator (SPA). The Foundation also provides fiscal and other management services for a broad range of University-related activities including Athletics, Children's Center, Bookstore operations, Campus Food Service, endowments and centers and institutes.

## **PROJECT ADMINISTRATION**

The administration of sponsored projects requires a collaborative effort between the Principal Investigator (PI) and the SPA, each with their own unique set of responsibilities. The purpose of this section of the manual is to outline the general responsibilities of both the PI and the SPA, present an overview of project management focusing on the PI's role, and provide PI's and their staff with the policies, documentation and forms needed to successfully manage their projects.

### **Role of the Principal Investigator**

“Principal Investigator” (PI) means the individual 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. The PI has the dual responsibility of complying with the financial and administrative policies of the award while achieving the technical success of the project. Even though the PI may have administrative staff to assist in the management of sponsored projects, the ultimate responsibility for the successful completion of the scope of work and the management of research dollars rests with the Principal Investigator.

In addition to completing the scope of work as prescribed in the funded proposal, the sponsor agency has the expectation that the PI will responsibly spend the award, submit required progress reports, comply with applicable sponsor rules and regulations during the day-to-day operation of the project and when making changes to the scope of work or funded budget. The SPA is committed to assisting the PI with the administration of sponsored research and other activities. The PI should maintain a close working relationship with the SPA to assist in managing his/her funds. The PI should also have a good understanding of the procedures associated with initiating financial transactions, making budgetary changes, and revising the scope of work.

**Role of the SPA (Auxiliary or University)**

The SPA meets with the PIs for each award received to provide assistance with start up and management of their projects, as well as review of specific requirements of new awards is covered.

Throughout a sponsored project's duration, the SPA establishes and monitors funds, provides PIs with an outline of sponsor regulations and reporting requirements for each award, and monitors expenditures to ensure compliance with federal regulations, agency specific requirements and Auxiliary and/or University policies and procedures. The SPA also ensures fiscal reports are submitted in a timely manner, acts as a liaison between the project and the sponsoring agency, provides interpretation of Auxiliary and/or University and sponsor regulations and policies, and furnishes administrative support to the project and its personnel.

**Establishing a New Fund**

Upon receipt of a sponsored project, the ORSP forwards the award document and other relevant information to the SPA to establish a fund in the SPA's finance system. A new fund is created for each new award

For each new award, the PI needs to complete a Signature Authorization Agreement. This Agreement is used to verify signatures on all reimbursement requests and purchase orders and will need to be submitted to the Foundation for processing. The PI and any other staff authorized to approve expenses for the project will need to sign the Agreement as well. Any staff member that will have an authorized signature needs to be approved by the PI prior to completing the Signature Authorization Agreement.

The Signature Authorization Agreement also addresses the responsibility for security, ownership, custody and retention of work products and records upon completion of the product. The PI and Dean/Chair accept responsibility by completing the Signature Authorization Agreement. The Agreement should be returned to the SPA as soon as possible. Until the Agreement is returned, only the PI is authorized to incur expenses on the fund.

### **Pre-Award Spending**

If, for any reason, pre-award spending is needed, the SPA (Auxiliary) may allow expenditures up to 90 days prior to start date if verification of award and written approval from sponsor is received by the SPA. Pre-Award Spending, if SPA (Auxiliary), requires the written approval of the Foundation Manager.

### **Understanding Your Project Budget**

The following are the two major components of budgets:

**1. Direct Costs** are those costs that can be easily and accurately identified for individual projects. Direct costs are divided into categories such as salaries, fringe benefits, travel, supplies, or equipment, and are accounted for as separate line items (account codes) within each fund.

**2. Facilities and Administrative Costs (F&A Costs)** are also known as indirect costs or overhead costs incurred by the SPA in support of sponsored programs. These costs differ from direct costs in that it is difficult and impractical to identify and attribute them on an individual project basis. In the case of sponsored projects, uniform rates are established through negotiation with the federal government and are verified in government audits. Examples of the types of costs charged through uniform rates are space related costs such as utilities, maintenance and certain administrative costs. *If the indirect cost is below the federally negotiated rate, this cost must be reviewed and approved by the Director of ORSP and all signatures prior to the submission of the proposal. In addition, justification must be noted or attached on the Proposal Routing Form for all below cost indirect rates.*

## **HUMAN RESOURCES**

Most SPA (Auxiliary or University) personnel policies and procedures are based on, or required by, various federal and state regulations. Failure to follow proper personnel practices not only negatively impacts SPA (Auxiliary or University) employees but can also result in legal penalties, including the cancellation of government grants and contracts and personal liability to supervisors and PIs. Personnel services are available to project personnel in areas such as: position classification, employee recruitment and selection, compensation and benefits, affirmative action, orientation and training, performance evaluation, organization and manpower planning, labor relations, discipline and discharge and personnel records. It is the policy of Auxiliary or University that only the Human Resources Office has the legal authority to establish pay, appoint, reappoint, discipline, discharge or change any employee's work status in any way. Any oral or written promises by any other person (including supervisors and PIs) are not binding upon the SPA. This policy protects supervisors, project directors and principal investigators from personal liability.

### **Project Personnel**

The Sponsored Program Administrator shall be the employer of the Principal Investigator and other employees with regard to work performed in furtherance of each Sponsored Program. The Sponsored Program Administrator shall be responsible for the assignment, evaluation, and termination of Sponsored Program employees and for other employer obligations associated with the performance and payment under the Sponsored Program, all in accordance with the Foundation Employee Handbook or Campus (CSU) policy.

### **Additional Employment Policy**

Additional Employment is define as employment compensated by the CSU, regardless of the source of funding, that is in addition to the primary or normal work assignment for which the individual is employed. CSU employment is defined as any employment compensated through the CSU payroll regardless of funding source (e.g. General Fund, Extended University, Lottery, or CSU employment reimbursed by an auxiliary of other source). Outside employment is any employment not compensated through the CSU payroll, including CSU Foundation and CSU auxiliary employment. The Additional Employment Policy establishes reasonable limits on the

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total amount of employment an individual can have with the CSU. Effective April 1, 2004, all CSUB Academic Affairs employees who are being compensated through Contracts and Grants managed by the Foundation will be paid through the campus payroll department and the state payroll system. This will facilitate effective tracking of faculty work load and enhance monitoring compliance with the CSU Additional Employment policy. Contact the CSUB contract Administrator or see the CSUB Additional Employment Policy (Exhibit \_) for details.

#### **Misconduct**

Campus policy provides a procedure for processing complaints of research misconduct or other employee misconduct in connection with Sponsored Programs. Employees working on Sponsored Programs who are also CSU employees shall be subject to the same consequences for unprofessional behavior, failure or refusal to perform duties adequately, or other misconduct within the administration of the Sponsored Program and remain subject to the University's discipline system.

#### **Employee Status**

The SPA will work together with the PIs to determine whether a proposed employee is to be hired in a regular, temporary or reimbursed time status. The SPA analyzes new appointment requests against current data on existing assignments with the Auxiliary and the University and in accordance with the CSU Overload Policy, CSUB Foundation Human Resources Policy and applicable sponsor requirements. (Please refer to Human Resources for additional information.)

##### **A. Position Classification**

The SPA, if Auxiliary or University, classifies all positions under standard classification titles and descriptions in order that positions with similar duties and responsibilities are grouped together in the same classification. A consistently applied classification system and attendant pay scales are essential for ensuring compliance with equal pay requirements as well as other legislative guidelines. When a new regular position is created, it is reviewed and classified before an employee is hired to fill it. Existing positions may be reviewed because of reorganization, new equipment or work processes, new programs, or gradual changes, which have affected an employee's duties and

responsibilities. If a PI or supervisor believes that a position is not properly classified, a request for classification review in the form of a memorandum should be sent to the Human Resources. This request should include a current job description and an organization chart of the project or department. When the request is received, Human Resources will review the job description and, if necessary, conduct a job audit. During a job audit, the analyst interviews the PI or supervisor and the incumbent and discusses the duties and responsibilities of the position. The position is then evaluated in terms of a number of different classification factors including:

- complexity and difficulty of work
- nature of supervision exercised and received
- knowledge, abilities, and skills required
- independence of judgment and action required
- extent and difficulty level of person-to-person contacts

Comparisons to related positions at CSUB Foundation, other auxiliaries, and/or the University may also be made in order to maintain consistency within the various classification programs. Before a final decision is made, Human Resources discusses the recommendation with the employee's supervisor to provide an opportunity to raise questions and point out possible problem areas. If a classification change is recommended, it must be approved by the PI or supervisor, The CSUB Foundation Manager, and the Director of Human Resources or designee within the Human Resources office. PIs should make no commitment to any current or prospective employee concerning level or pay step without the Auxiliary or University Human Resources prior approval. All questions regarding classification of new positions or reclassification of existing positions should be directed to the Human Resources Office. For further information please refer to the CSUB Foundation Personnel Handbook or the CSUB or the CSUB Foundation website.

**Auxiliary Direct Pay:** The PI will complete the appropriate Personnel appointment form, i.e., Temporary Employee Appointment Form, Special Pay Form, Personnel Assignment Status (PAS) Sheet for project employees being appointed on SPA payroll. These documents should be submitted to the SPA well before the employee begins working to allow time to resolve any unanticipated problems. Note: the University or the CSUB

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Foundation Human Resources prepares the initial appointment form for new regular employees.

**Reimbursed Time:** Reimbursed time appointments are administered via a separate procedure distinct from Auxiliary Direct Pay. The faculty member's University department initiates the Reimbursed Time appointment on a CSUB Release Time form. This process is performed for fall, winter, and spring quarters during the academic year.

**Students:** During an academic quarter "student employees" are exempt from social security taxes. The number of units taken and the number of proposed hours per week to be worked are key factors in establishing student status. In order to evaluate the on-going appropriateness of student status, the SPA monitors the number of hours student assistants work on a monthly basis to ensure student employees remain under the 20-hour/week threshold in order to maintain their student status. Please note it is the responsibility of each employee to submit his/her timecard to University or CSUB Foundation Payroll by the specified deadline. In addition, every employee is responsible for completing all personnel forms required prior to the issuing of a timecard. Please contact the SPA for additional information and specific deadline dates.

## **EXPENDITURE PROCESSING**

### **PURCHASING AND ACCOUNTS PAYABLE**

Among the many services provided by the SPA is assistance in the purchasing of goods and services. To ensure that all purchasing activity is in compliance with federal, state, and local government laws, rules, the Auxiliary or University's purchasing policy will be adhered to. The Foundation and University administration have approved this policy, and copies have been distributed to persons responsible for documenting expenditures of SPA funds. A copy is available upon request. Invoice payment shall be in accordance with the guidelines specified in the University or Auxiliary Policy and Procedure Guide.

#### **Accounts Payable Disbursements**

The SPA will issue accounts payable checks for all disbursements (excluding payroll) as payment of vendor invoice, travel advances and reimbursements, miscellaneous reimbursements of \$100 or less, stipends, independent contractors, pre-payment of a purchase order, etc. The Accounts payable policy can be found in the University or Auxiliary Policy and Procedure Guide.

#### **Void/Lost Check**

If a PI finds that an accounts payable check is no longer required or has been incorrectly written, the check should be returned to the SPA. Project personnel should notify the SPA at once if a check is lost or stolen. A replacement check is generally written within five working days.

#### **Prepayment**

If a vendor requires prepayment or will not accept a purchase order, project personnel should determine the amount of required prepayment (including tax and all related charges), and submit a Purchase Requisition as well as a Check Request made payable to the vendor. Project personnel must return a receipt or paid invoice to the Auxiliary or University Accounts Payable department within 15 days.

#### **Distribution of Checks**

Accounts payable checks are normally distributed in either of two ways:

1. Checks for campus employees may be picked up at the cashier window.
2. Checks for vendors are mailed. The full name, address and zip code of the payee or vendor should be listed on the Check Request. No checks will be mailed to a University address.

### **Criteria for Determining the Allowability of Expenditures**

The SPA is required to apply certain standards for expenditures charged to monies generated by sponsored or restricted funds awarded through grants, contracts, cooperative agreements and other agreements (grants or contracts). Federal OMB Circular A-21 contains the cost principles for educational institutions. Individual award documents may also contain substantive guidelines for determining approval of expenditures, i.e., special terms and conditions applicable to a specific project fund. Expenditure activity must be consistent with sponsor guidelines, CSUB academic philosophies and institutional objectives, as well as the CSUB Foundation's overall policies and procedures. In order for a proposed expenditure on a grant or contract to be approved by the SPA, the cost must be allowable, allocable, and reasonable under OMB Circular A-21 cost principles.

**Allowability:** The cost must be reasonable and must be given consistent treatment through application of generally accepted accounting principles appropriate to the circumstances. The costs must conform to any limitations or exclusions set forth in the sponsored agreement or in the Federal Cost Principles (OMB Circular A-21).

**Allocability:** Once allowability criteria are met, the cost is evaluated for allocability. This means the cost has been incurred solely to support or advance the work of the sponsored agreement and it is consistent with the scope of work contained in the award document. An expenditure is considered allocable if it is made on behalf of or in support of the expressed purpose of the project, and is therefore, assignable to that project. If costs are to be split among sponsored agreements, they must be in proportions that can be approximated through use of reasonable measures. Costs to a particular sponsored agreement may not be shifted to other sponsored

agreements in order to meet deficiencies caused by overruns or other funds considerations to avoid restrictions or other reasons of convenience.

**Reasonableness:** Finally, a cost is evaluated for reasonableness. A cost may be considered reasonable if the nature of the goods or services 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. Consideration might include, whether or not the cost is of a type generally recognized as necessary for the performance of the agreement and/or if there are restraints or requirements imposed by arm's-length bargaining. The reasonableness criterion requires that those committing funds from SPA funds apply common business sense. The SPA also reviews all payment documents and requests for reimbursement with the following principles in mind:

**1. Consistency:** Transactions must be treated in a consistent manner. Policies and procedures have been established to address similar types of transactions in a routine manner.

**2. Timely Processing of Payment Documents:** All requests for reimbursements, personnel appointments, and reimbursement for payments to vendors are required to be submitted within 90 days of their origination. The SPA is subject to Federal guidelines that require grantee institutions to demonstrate sound business practices in the management of sponsored funds. The majority of vendors require payment of their invoice within 30 days of the date of invoice. OMB Circular A-21 further states that all financial commitments incurred through the last day of the grant budget period must be processed for payment within the following 90 days. Expenditures submitted after that 90-day window of time are generally unallowable. Justification for late submission of payment documents is considered high risk and very seldom passes audit standards. The PI and project staff are responsible for submitting all payment documents in a timely manner. Any requests submitted outside of the 90-day window will require additional justification and may be considered unallowable.

**3. Justification:** There must be sufficient justification showing that the expenditure supports the project's goals and adheres to sponsor and SPA guidelines.

**4. Documentation:** Sufficient documentation to support the transaction, such as an itemized and dated original receipt, must be included. The documentation should be sufficient to stand alone when reviewed during an audit.

**5. Certification:** The expenditure document must contain the original signature of the PI or other individual who has been authorized to incur expenses on a specific sponsored agreement.

### **Reallocation of Charges**

Cost Transfers are transactions that move charges from one fund to another or between line items within a fund, via journal entry. Since there are policies and procedures and internal controls in place at the Auxiliary and University to ensure that costs are accurately recorded, an original transaction should not need to be corrected. However, in certain circumstances, it may be necessary to move a direct charge expense from one fund to another or within a fund to link the cost more appropriately with the benefit it is providing. In order to limit the need for cost transfers, PIs are encouraged to work with the SPA to accurately project expenditures and allocate funds. Monthly budget reports should be used to compare project budgets against expenditures to date and future commitments to determine if overruns will occur. If an overrun is anticipated, the PI should contact the SPA to prepare a cost projection or budget adjustment.

**Cost Transfers:** a cost transfer is a direct charge expense transferred from one fund to another after the charge has been posted in the financial accounting records of the SPA. The Cost Transfer Policy is applicable to all funds for which the SPA is the fiscal agent.

**Cost Transfer Policy and Procedure:** All requests for cost transfers should be submitted in writing to the SPA and contain the following:

*Documentation:* In order for a cost transfer to occur, it **MUST** be supported by written documentation that contains a full explanation and justification for the transfer. The justification should include the cause of the error and an explanation of why the charge is more applicable to the fund where it is being transferred. In general, the explanation should be prepared in such a way that a person outside of Auxiliary or University (i.e., an auditor) would be able to

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understand why the cost transfer is necessary. If a cost transfer is requested 90 days or more after the costs were originally posted in the accounting records, the documentation must also contain an explanation for the time delay in making the adjustment. For example, if a cost transfer is necessary to correct a bookkeeping error, the documentation should clearly explain the error and how it occurred as well as justification for the correctness of the new charge. An explanation such as to correct error or to transfer to the correct project is not acceptable.

*To be acceptable*, cost transfers must be timely, allocable to proper budget categories, and allowable under applicable sponsor and SPA policies, properly documented, and approved. All cost transfers shall become part of the official project file and subject to audit. Requests for cost transfers that lack adequate documentation and/or approval signatures will be returned to the originating person/department.

#### **Typically Unallowable Cost Transfers**

The following cost transfer situations are typically considered to be unallowable:

1. Cost transfers requested more than 30 days after the end date of a sponsored agreement.
2. Transfer of charges from any sponsored agreement that is in an overrun status.
3. Transfer of any Reimbursed-Time Transactions. (Reimbursed-Time adjustments must go through the Effort Reporting system and must be made before the employee's effort certification is signed and received.)

\*Extenuating circumstances will be reviewed on a case-by-case basis and must be clearly and substantially documented.

#### **Journal Entries**

Journal entries are utilized for a variety of purposes including but not limited to recording transactions for charge backs from University, internal transfers of money between University or Auxiliary funds, and corrections.

## **Categories of Expenditures**

### **Consultant and Independent Contractor Payments**

PIs frequently use consultants to perform specific tasks when specialized skills or expertise is not available internally. Prior to the engagement of a consultant or other independent contractor, the PI must prepare the appropriate form setting forth the nature of and reason for the engagement, the selection process used, and the financial details of the engagement. The SPA will review the documentation to determine independent contractor status and ensure compliance with sponsor guidelines. Consultant payments set at \$5,000 and under should be setup on the Independent Contractor form. The Consultant and PI should complete their respective sections of the form and each sign the form before it is forwarded to the Foundation for review and approval.

Consultant Agreements are appropriate for most consultant arrangements in excess of \$5,000. This agreement contains specific contractual language concerning task-oriented time lines, payment methods and cancellation clauses. The agreement may also include a brief scope of work. PIs should contact the SPA prior to commencement of work to initiate preparation of the Consultant Agreement. To receive payment, the consultant is required to submit a signed invoice either to the SPA or the PI. Both the signatures of the PI and the SPA are required in order to process payment.

### **Travel**

In order to minimize personal outlay of cash, PIs and their staff may process several types of requests prior to traveling. They may submit Charge Request forms for airfare and car rental to the SPA indicating the name of the traveler, date of trip, purpose of travel and the estimated cost. They may also request a travel advance check for the estimated cost of the trip and a request to prepay the cost of the meeting registration. The SPA will review and approve the purchase requisitions and check requests in accordance with Auxiliary or University travel policies and sponsor guidelines. Any individual traveling on Auxiliary or University business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary or unjustified in the performance of business are not acceptable under this standard. Individuals will be responsible for excess costs and any additional expenses incurred for personal preference or convenience. There is considerable

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variation among the rules for reimbursement of travel expenses such as transportation and per-diem contained in various grants/contracts. Whenever travel expense is charged to a certain grant/contract, the travel rules of the agency issuing that grant/contract, as well as the award itself, should be carefully reviewed. Please check with the SPA for a determination on which travel regulations apply to your project. When grants/contracts refer to "reasonable" expense, the SPA guidelines are applied. For additional information, and sample travel forms, contact the University or CSUB Foundation's web site.

### **Supplies and Equipment**

(Please refer to Purchasing and Accounts Payable for additional information.) Equipment purchases require specific analysis by the SPA prior to approval of the Requisition. The SPA is responsible for making a determination with regard to vesting of title and disposition of the equipment consistent with sponsor guidelines. Please submit Requisitions (Form 5) in a timely manner to allow sufficient processing time.

**Check Request:** Project personnel may be reimbursed for project-related purchases if: a) the purchase is an allowable and reasonable expense to the project; b) sufficient funds exist in the fund and account to be charged; c) the purchase occurred within the project time period; d) the request for reimbursement includes an itemized original receipt upon which the vendor's name is preprinted or other proof of payment. Photocopies and/or faxes will not be accepted. For complete instructions please refer to the University or CSUB Foundation website.

**Student Support Payments/Stipends and Incentive Payments:** A stipend is defined as a scholastic award provided to students selected on the basis of their past academic excellence. Stipends do not include amounts received for teaching, research or employment. Any services performed must be those required as part of the regular course of study required of all candidates for a particular degree. Students on traineeships or fellowships receive stipends and incentive payments. In addition, stipends may be given as incentive payments for attendance at conferences or workshops or for participation in a research study. The SPA determines the appropriateness and/or allowability of student stipends according to specific guidelines. If there is any question as to whether or not a payment qualifies as a stipend, the SPA will consult with Human Resources on determination. Please contact the SPA for additional information on the requirements associated with issuing stipend payments. Also see Item 9. Human Subjects/Incentive Payments (below) for additional information.

### **Subcontracting**

A subcontract is an agreement issued under a larger contract, agreement or grant that authorizes a portion of the research or substantive effort to be performed by another organization. The subcontract document outlines the rights and responsibilities of each party. Typically at the proposal stage, the PI determines whether a subcontract is necessary. The SPA will review the subcontract materials as well as the full proposal before submitting the proposal to the sponsor. The SPA will ensure that the subcontracting institution has reviewed, approved and submitted subcontract materials and that these materials have been incorporated into the proposal. The SPA will ensure each institution knows its respective role, the budget is adequate to support the work and someone authorized to sign on behalf of the subcontracting organization has endorsed the subcontract proposal. If a subcontract is named on a final sponsor approved budget, and no other restrictions are listed on the award, the subcontract is considered approved. Note: Some state agencies require prior review and approval of subcontract document even if subcontractor is named in the proposal. If there is a need to subcontract a portion of the work but no subcontract was indicated in the proposal, the SPA must secure sponsor approval before a subcontract can be finalized. Prior sponsor approval protects the interests of the CSUB Foundation and the University. Without prior approval, the sponsor has no responsibility to allow subcontract costs.

### **Overview of the Subcontract Process:**

If a subcontract is named on the final sponsor approved budget, and no other restrictions are listed on the award, then the subcontract is considered approved. If not, prior sponsor approval is typically required before a subcontract can be finalized. A letter of intent may be issued to the subcontractor, if necessary, pending approval of the subcontract and/or receipt of the prime grant award.

### **Subcontract Monitoring:**

SPA is responsible for every aspect of the performance of the project, including the subcontract portion. The SPA's obligation to the sponsor agency does not change if the subcontractor has unsatisfactory progress or defaults. Therefore, if any problems arise in the performance or spending of the subcontractor, appropriate action will be taken. The

PI is responsible for acting as the technical monitor of the subcontract and oversees the technical performance of the subcontractor to ensure satisfactory performance and submission of required technical reports and deliverables.

### **Human Subjects/Incentives Payments**

The SPA, Auxiliary and University, will provide subject/incentive payments to individuals participating in research projects. The internal Revenue Service classifies these payments as Other Income and requires that they be reported on a 1099Misc form if the total payments to an individual exceed \$600 in a calendar year. The SPA must adhere to this requirement. However, there are two circumstances under which the project(s) will be required to track annual human subject/incentive payments and notify SPA when the individual has received in excess of \$600 in a calendar year. These circumstances are as follows:

- Many research projects invoke federal regulations that require strict confidentiality for the human subjects involved. If the CSUB Internal Review Board has reviewed the project and required that all human subject data be held confidential, then numbers, demographics, etc. must be used to identify the subject. Nothing that would allow specific identification of a person or persons can be used. The SPA therefore, cannot directly issue a check to an individual without a breach of confidentiality. However, in the event that an individual is paid in excess of \$600 in a calendar year, the project will be responsible for providing the name, address, social security number, and total amount paid to the SPA's Accounts Payable Department so that 1099Misc form can be issued at year-end.
- Many research projects have a need to hand out very small amounts of cash to an individual at the time of his/her participation in a project. This population of people often does not have the means to cash a check, and if they were not given cash, the subject population would be lost. In addition, the same population of subjects does not participate over and over again. Because of this need for cash, a very low potential tax liability and the expense of writing and tracking hundreds of \$5 and \$20 payments, SPA will track (for 1099Misc purpose) human subject/incentive payments of \$50 or more. In

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the event that an individual receives numerous payments of less than \$50 and the total paid is in excess of \$600 in a calendar year, the project will be responsible for providing the name, address, social security number, and total amount paid to the SPA.

#### **Hosting Policy**

Please see Hospitality Policy, University and CSUB Foundation Policies and Procedures.

#### **Wireless Telephones**

Due to the increased use of wireless phones as a communication tool to conduct SPA project business, the Auxiliary has implemented the following policy and procedures regarding wireless phones. Under this option, the employee will, at his/her discretion, purchase the wireless phone. A request for reimbursement for business related costs associated with wireless phone cost needs to be submitted to the SPA. The project employee may purchase the phone with his/her personal funds and is solely responsible to the vendor for all service/financial issues related to the cellular phone. The SPA considers the wireless phone to be the personal property of the employee. Payment of the instrument fee is not the responsibility of the SPA project funds. The employee will not be reimbursed for the cost of the phone or the monthly service charges. The employee is not limited when selecting the style of the wireless phone and associated services. The employee must attach a copy of the detailed billing records to the Check Request form. Business-related calls must be specifically identified from personal calls to identify those costs related to the purpose of the project. Package deals, free minutes of airtime, and monthly service charges will be prorated to the business vs. personal call ratio.

#### **Use of Personal Credit Cards**

Projects are encouraged to use the University and CSUB Foundation's purchasing system whenever possible. Any single item in excess of \$1,000 must be processed via a purchase requisition. If personal credit cards are used for items less than \$1,000, the following documentation will be required:

1. Original itemized receipts
2. Copy of credit card statement showing payment
3. Documentation, as required by University or CSUB Foundation policy.

### **Changes to the Project**

In many cases, PIs need to implement changes to their projects to revise the budget or scope of work to accommodate the changes made to refine the project since the proposal stage. Many of these necessary changes require approval from the sponsor and/or the SPA before any revisions can be implemented. **Changes That May Require Prior Sponsor Approval or Formal Notification:** (The following guidelines are for federally funded projects but also may be applicable to other types of grants and contracts. PIs are encouraged to contact the SPA if any of the following changes are necessary.) The award analysis provides specific project approval requirements for each individual fund.

**Re-budgeting:** Changes in a project's sponsor-approved budget must be approved by the SPA and may also, in many cases, require prior consent of the funding source. Certain governmental funding sources are particularly restrictive regarding budget changes. If a budget change is necessary, the PI prepares a Budget Adjustment Request form, including justification, and forwards the form to the SPA. If the funding source's approval is required, the SPA submits a request to reallocate funds to the sponsor based upon the justifications provided by the PI. Budget Adjustment Request forms may be obtained from the SPA.

**Changes in Objectives or Scope:** The sponsor agency expects the scope of work to be carried out as prescribed in the proposal with minimal changes in methodology, approach or other aspects of the project objectives. Any changes that significantly alter the scope of work, direction, or other areas that constitute a significant change from the objectives of proposed plan require sponsor approval.

**Absence or Change of Key Personnel:** If the PI anticipates withdrawing from the project or being absent from the day-to-day supervision of the project for a period of three months or more, prior sponsor approval is required. Prior sponsor approval is also required if the PI reduces his/her effort devoted to the project by 25 percent or more. Any changes to key personnel whose expertise is critical to the success of the project, require prior approval.

**New Subcontracts:** Prior approval is required prior to issuing any Sub-contract not included in the award budget and scope of work. (See Section on Subcontracting)

**Carryover of Un-obligated Balances:** Prior sponsor approval may be required to carry over funds remaining at the end of a budget period to the subsequent budget period. PIs are required to provide justification for amounts greater than 25 percent of the current year's total budget (including any prior year carryover) in their non-competing renewal applications.

**No-Cost Extension:** If additional time is needed beyond the original project end date to complete the proposed scope of work, a 12-month extension without additional funds is normally granted. The fact that funds remain at the end of a project is not sufficient justification for an extension. The project is required to update all required certifications, including human subjects and animal welfare to cover the additional time period. The request should be made no later than 30 days before the current end date of a project.

## 11. Reporting Requirements/Closeout Procedures

**Program/Progress/Technical Reports:** The PI is responsible for preparing and submitting programmatic reports to document progress achieved to date in accordance with the sponsor's required due dates. A copy of these reports should be forwarded to the SPA to be included in the official record for the project. *Reports not submitted within the specified timeline of the contract or grant will be referred to the Office of the President for resolution.* Failure to submit the specified reports could also result in the sponsor denying payment of SPA invoices and/or may jeopardize future funding from the sponsor.

**Financial Reports:** The SPA prepares all interim and final financial reports required by the sponsor. Sponsors normally require a final financial report 60-90 days after the end date of a project. It is imperative that PIs finalize all expenditures within 30 days of the end of a project to ensure accurate financial reporting. The SPA will contact PIs or administrative staff to confirm final grant expenditures that have been submitted. This will ensure all costs are included on the final financial report. Once the grant is completed, all fiscal and technical reports and all other pertinent information will be reviewed. If all required reports, deliverables, and documentation have been met according to sponsoring agencies, the file will be stamped "closed".

## **12. Records Retention**

Funding agencies require the SPA to retain records on closed awards for a specified period to provide a window of time in which they may access the records for audit purposes after a project has ended. The SPA is required to retain all years of a competitive segment of an award for a minimum of three years after the final year of the project has ended. (A competitive segment is funding awarded in one-year award increments, up to 5 years referencing the same grant/contract number.)

If a closed project files are the subject matter of audits, appeals, litigation or the settlement of claims arising out of the performance of the project, the SPA is required to retain these records until resolution is reached. The PI is responsible for retaining all programmatic records and reports for the required period of time and making them available as needed in the event of an audit or other request.

### 13. Cost Sharing

#### Purpose

The purpose of these guidelines is to provide direction in accumulating and to report cost sharing on all grants and contracts.

**Definition:** When federal statute or agency regulations require that the University share in the cost of sponsored research projects, the University contribution is referred to as “cost sharing.” In general, cost sharing and matching 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 contributions or in-kind contributions. *Cash Contributions* represent the recipient's (that is, CSUB or CSUB Foundation) cash outlay, including the money contributed to the recipient by non-Federal third parties. *In-kind Contributions* represent the value of all non-cash contributions, including services and property, provided by the recipient and/or non-federal third parties.

#### Policy

It is the policy of CSUB Foundation and the University to dissuade applicants from offering cost sharing to a sponsor unless it is mandatory. There are several reasons for this. First, if University resources are committed to a project unnecessarily, then it is not available for instances when cost sharing is required. Second, cost sharing can have the effect of eroding an institution's Facilities and Administrative cost rate. Third, all cost-sharing, even voluntary, must be tracked and accounted for in SPA's accounting records and leaves the CSUB Foundation and University open for audit concerns if not addressed properly. Fourth, it is time consuming and expensive to document cost sharing. Finally, certain faculty members who have many awards could become over committed, resulting in an inability to substantiate the promised levels of effort.

The sponsoring agency's program guidelines typically indicate whether or not cost sharing is mandatory for a specific proposal submission. The Graduate Studies & Research Office ensures that the proposal budget reflects the proper level of cost sharing required. Since documenting cost sharing is a time consuming process, efforts are made

not to offer either voluntary cost sharing, or mandatory cost sharing because of the difficulty in documentation. Budgeted cost sharing, mandated or voluntary, must be documented in the post-award phase of a project by the Principal Investigator. The SPA works with the PI to ensure all cost sharing is adequately documented and source documents are provided. The SPA summarizes the actual cost sharing received on an Excel worksheet, and maintains the worksheet and the source documentation in the award file.

**Acceptable Cost-Sharing Items:**

Cost sharing or matching may consist of the following cost elements used to further project objectives:

1. Salaries of CSUB faculty or staff who are paid by the University, and who devote a percentage of their compensated time to a sponsored project, without receiving reimbursement from the sponsor.
2. Fringe benefit costs associated with contributed effort as described in item 1.
3. Indirect costs foregone, where SPA requests less than the federally approved negotiated rate, and where the sponsor does not prohibit the use of indirect foregone as cost sharing.
4. Rent foregone by Auxiliary or University when a sponsor project occupies University or Auxiliary owned or rented space, and when there is less than full recovery of indirect costs.
5. Other direct costs, such as supplies, equipment, or travel that are paid for from non-federal funding sources.
6. Project costs financed by cash contributions by the recipient, or by cash donated to the recipient by third parties.

7. Project costs represented by services and property donated by third parties (non-federal public agencies and institutions, private organizations, and individuals).

**All matching contributions, both cash and in-kind, must adhere to the following criteria as required by OMB Circular A-110:**

1. Are verifiable from the recipient's records.
2. Are not included as contributions for any other federally assisted project or program.
3. Are necessary and reasonable for proper and efficient completion of the project or program objectives.
4. Are allowable under the applicable cost principles (OMB Circular A-21, or other sponsor regulations if the sponsor is non federal).
5. Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
6. Are provided for in the approved budget when required by the sponsoring agency.
7. Conform to other provisions of Subpart C, Section 23 of OMB Circular A-110.

**Procedures - Cost Sharing Valuation Methods**

**Recipient In-kind Contributions:** Values for recipient in-kind contributions must be in accordance with applicable cost principles (generally OMB Circular A-21). Grantee institutions are only allowed to offer goods and services as cost sharing when they are able to verify the value from their records. This can only be accomplished by virtue of the institution paying an individual or buying something, and then offering a portion of those purchased goods or services to the Federal government. At CSUB, a faculty member who is released from some part of his/her teaching load could devote that released time to a federal project (if corresponding reimbursed time is not realized from the federal project), and this compensated time could be used as cost sharing. OMB Circular A-21 contains language that details the manner in which grantee institutions must document their activity by way of personnel activity (effort) reports. Each report accounts for 100 percent of the activity for which the employee is compensated and which is required in

fulfillment of the employee's obligations to the institution. Volunteered faculty time (defined here as being over and above one's full-time university obligation during the academic year, or during quarter breaks when faculty are not compensated by the University) is uncompensated. Accordingly, since the resulting Effort Reporting Certifications would contain some level of uncompensated time, offering volunteer faculty time is unallowable under this section of A-21, for purposes of cost sharing.

**Third Party In-kind Contributions:** OMB Circular A-110 is the primary source for determining the allowability of cost sharing. Subpart C, Section 23 of that circular provides definitions and guidelines for the computation of cost sharing and matching. The attachment clearly allows for the use of volunteer services as cost sharing, but only when services are provided by non-federal third parties. (There is no provision within this circular that allows the recipient institution to claim volunteer time as cost sharing. Grantee institutions are only allowed to offer goods and services as cost sharing when they are able to verify the value from their records. This can only be accomplished by virtue of the institution paying an individual or buying something, and then offering a portion of those purchased goods or services to the federal government). The budget, budget narrative, and work scope must all be carefully reviewed to determine if any cost sharing was offered. The SPA is required to work with the Principal Investigator to document any costs offered in the proposal as matching or cost sharing, regardless of whether or not it was required by the sponsoring agency.

**Specific procedures for recipients establishing the value of in-kind contribution from third parties are as follows:**

1. Volunteer services by professional, technical, consultants, and other skilled and unskilled labor, which are furnished, can be counted as cost sharing or matching if the service is an integral part of an approved program.
  - a) Rates for volunteers should be consistent with those paid in the recipient's organization. When that is not possible, rates should be consistent with those paid for similar work in the labor market.

- b) When an employer other than the recipient furnishes the services of an employee, those services are valued at the employee's regular rate of pay.
- 2. Value of donated expendable personal property shall not exceed the market value of the property at the time of the donation.
- 3. Value of donated non-expendable property may be shown by either of the following methods:
  - a) The total value of the donated property can be claimed as cost sharing if the purpose of the award is to assist the recipient in the acquisition of equipment, buildings, or land.
  - b) In the absence of specific federal approval, only the depreciated or use charge of equipment, buildings, or land can be used if the purpose of the award is to just support the activities that require the use of equipment, land, or buildings.
- 4. The value of donated land and buildings may not exceed its fair market value at the time of donation, as established by an independent appraiser.
- 5. The value of donated space shall not exceed the fair rental value of comparable space in the same locality.
- 6. The recipient's supporting records for in-kind contributions from non-federal third parties must document:
  - a) Volunteer services and, to the extent feasible, must be supported by the same methods used by the recipient for its own employees;
  - b) The basis for determining the valuation for personal services, material, equipment, land, and buildings.

**Procedural Steps to Follow for Documentation of Cost Sharing:** The following are the steps taken by the SPA and the PI to track and document cost sharing obligations.

**1. Determine if award has a Cost Sharing obligation**

Upon receipt of every award, the SPA reviews the award document and proposal to determine the amount and type of cost sharing that is required (*voluntary or mandatory*).

**2. Validate the Cost Sharing obligation**

The SPA creates a file containing all information related to the cost-sharing obligation. This file is used throughout the life of the project to track cost sharing documentation and compile required sponsor reports. The SPA also forwards a memorandum to the PI that identifies the required cost share items and includes a copy of the budget and the Universities or CSUB Foundation's Cost Sharing Policies and Procedures. The PI should sign the memo and return it to the SPA to confirm his/her knowledge of the cost sharing commitment and the obligation to provide documentation of in-kind costs.

**3. Documenting Various Types of Cost Sharing**

The timing for cost sharing documentation is based on the type of expense being contributed and sponsor requirements. For example, monthly expenditures paid by CSUB accounts such as telephone or duplicating costs, should be documented as the expense occurs. The source documents for this type of cost sharing are more easily obtained at the time of the transaction. Terms of an award may require a cost sharing report be submitted to the sponsor along with each monthly invoice. Sponsors may also require a report on "cost sharing met to date" to be included with financial reports submitted on a monthly, quarterly or annual basis. PIs should work with the SPA to ensure documentation is submitted on a regular basis to enable SPA to comply with sponsor reporting requirements.

**Faculty Effort:** When setting up the cost-sharing file for a new award, the SPA sets up an effort report notification. The notification form initiates an effort report that is sent to the PI at the end of each quarter and summer. The PI reviews the

effort report, signs it and returns it to the SPA. The signed effort report is then used as supporting documentation for the required cost sharing. OMB Circular A-21 prohibits documentation of faculty time as contributed time unless it was actually *paid* from an alternative funding source. Additional documentation in the form of an Assigned Time Report, Academic Transaction form or letter of certification from the Department or College will be required to show that source of funding for any faculty effort documented as cost sharing.

**Other Effort:** “CSUB Staff Effort” is an example of other effort contributed. If a CSUB employee is being paid 100 percent FTE from University funds during the academic year but is released 50 percent time to work on a sponsored program, the 50 percent release time can be documented as cost sharing. The SPA works with the PI to obtain a copy of the payment documents or an Academic Transaction form from the University that shows the source of funding.

**Travel, Equipment, Supplies, Phone/Communication and**

**Duplicating:** Documenting these types of cost shared expenditures can be very labor intensive and requires frequent communication with the PI or designated project staff person to obtain documentation in a timely manner. Examples of these types of costs include monthly costs such as telephone or duplication paid by University funds or travel expenditures paid by University funds. It is critical for the PIs to submit the documentation for these types of expenditures as they occur or on a frequent basis because the source documents are more easily obtained at the time the expense occurs. When documenting these types of costs a copy of the payment document (copy of the check request, purchase order, travel claim and a copy of the CSUB budget report or budget report showing the expense was charged) must be submitted to document the funding source. The SPA will review the documents submitted to ensure the items identified are allowable costs and that the dollar value has been calculated correctly.

**Space Rent:** If the project is housed in a non-University owned building and rent is paid by a different institution, the SPA will communicate with the PI, designated project staff

person and/or the third party agency representative to determine the fair market value of the property and the actual cost being contributed. A certified memo or copy of the payment record from the third party to document this source as cost sharing must also be obtained.

**Subcontractor Cost Sharing:** If a subcontractor included cost sharing in their proposal budget they are required to provide documentation. Cost sharing is often clearly defined in the subcontractor budget but can also be included in the scope of work, budget justification or letters of support included with the proposal. If SPA is required to document cost sharing on monthly invoices, quarterly reports, etc., the subcontractor will be required to submit documentation at specified dates so SPA is able to meet its obligation to the sponsor. The SPA includes cost sharing terms and conditions in the language of the subcontract agreement and works with the subcontractor to ensure the obligation is met.

**Indirect Foregone:** *The approved budget must have requested indirect foregone to be a part of the cost sharing requirement to be able to use this method for cost sharing of funds. If indirect foregone was not included in the approved budget, prior written approval from the sponsor must be obtained before this type of cost can be documented as cost sharing.* For example, if an award has a 38 percent modified total direct cost (MTDC) indirect rate, the remaining 14 percent indirect (52% - 38%) can be documented as “indirect foregone” if it was included in the approved budget at the time of proposal submission or prior written sponsor approval has been obtained. The SPA prepares a spreadsheet to calculate the dollar value of the costs contributed based on expenditures to date.

### **Volunteer Services**

**Volunteers Working on CSUB Foundation Projects:** PIs are instructed to contact the SPA, CSUB Foundation Human Resources (HR) or University HR, if volunteers are working under their direction. The PI and volunteer complete a “Volunteer Information form” which identifies the project and describes the services the volunteer will be providing. The volunteer will record all hours worked on a “Volunteer Time Record

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Sheet”. The Time Record Sheet is signed by both the volunteer and the PI and returned to the HR office at the end of the volunteer’s appointment or, in the case of long-term volunteers, on a quarterly basis.

#### **Third Party Services:** When an employer other than CSUB

Foundation furnishes services, they are valued at the employee’s regular rate of pay. The Foundation communicates with the PI or designated project staff person to request a certified memo or copy of the payment record from the third party document this source as cost sharing.

## OTHER PERTINENT INFORMATION

### **Effort Reporting**

An Effort Report is an employee certification report required of all universities that administers federally sponsored projects. The purpose of the Effort Report is to gather comprehensive time and effort information on faculty and staff that work on federally sponsored programs as well as non-federally sponsored programs. To be consistent in University and CSUB Foundation policies and procedures, Effort Reports are prepared for all employees identified as faculty and instructional staff. The SPA is responsible for the preparation, dissemination, and collection of all Effort Reports. Federal regulations require the SPA to have available for audit an appropriately signed and certified report for all faculty and instructional staff paid on a sponsored program.

**Creating and Disseminating Effort Reports:** The task of creating and cataloging effort reports is handled by the SPA. The Effort Report contains information regarding a specific employee's percent University assignment, Reimbursed Time, Direct Pay (overload), and Cost Sharing. The SPA gathers information during the academic year on all University faculty members. The information is gathered from workload forms, overload reports, special pay forms, and cost sharing information provided by University and/or CSUB Foundation. Employee Effort Reports are created for fall, winter, and spring quarters and summer and winter break.

**Completing the Effort Report:** The recipient of an Effort Report is required to certify that the distribution of effort indicated is a reasonable estimate of all work performed during the period covered by the report.

Effort reports are required to be reviewed, signed and returned within two weeks of the distribution date. If the completed report is not returned by the due date indicated, a second notice letter will be sent to the employee and/or the SPA will contact the employee personally.

### **Sections of the Effort Report:**

1. Instructional and departmental research not separately budgeted and accounted for: this section is used to report the percent effort not covered by the effort devoted to sponsored projects.

2. Sponsored Projects:

Reimbursed Time: Reimbursed time is the mechanism whereby the SPA reimburses the University for a portion of an employee's regular position up to full time, for work that is outside the employee's regular work assignment and compensated from a different source. The grant account purchases a certain percent of a faculty member's time to work on a sponsored project. His or her instructional assignment is reduced accordingly. This information is taken from the Faculty Grant/Contract Workload form.

3. Direct Pay: This section reports any effort paid on SPA payroll as an overload appointment.

4. Cost Sharing: This section reports any effort obligated as in-kind on active sponsored projects. Please contact the SPA if you have any questions regarding effort-reporting procedures.

### **Property Control**

The University and CSUB Foundation define inventorial property as a tangible, non-consumable fixed asset having a useful life of one or more years and a minimum unit acquisition cost of \$500 (less for sensitive items, (Printers, digital cameras, video cameras, etc.) CSUB Foundation-purchased property can only be used for authorized project purposes. After payment has been made for the property, a member of CSUB Facilities Management staff contacts the PI to arrange for the property to be tagged with a numerical CSUB Foundation identification sticker. This control number, along with a description of the item, the serial number, and location are entered into a computerized property inventory system maintained by CSUB and CSUB Foundation. CSUB Foundation conducts biennial property inventories. A property listing is sent to the PI who either verifies that the listing is correct or makes a notation of any discrepancies. The listing is then returned to the Foundation. In addition, audits are conducted on an informal basis by CSUB Foundation staff. The PI is responsible for establishing property maintenance procedures based on manuals and instructions furnished by manufacturers. In the absence of such instructions, the PI should establish a maintenance program based on experience and judgment. Foundation must be notified using the Property Inventory Modification Request whenever there are changes in property such as: location, damage, theft (police report must be attached), loss, fabrication, loan, or receipt of government furnished property. This form is also used to request transfer to the University or disposal by CSUB Foundation.

### **CSUB Foundation Policy for Requests for Information**

When a request for information is made to CSUB Foundation regarding accounts, projects or activities, the following guidelines apply:

#### **Non-University/CSUB Foundation Requests for Project Information**

The following information may be disclosed to any person requesting information:

- Project name
- Amount of award
- Name of sponsor
- Project period

All other inquiries should be referred to the PI. Any inquiry from a member of the press (newspaper, television, radio, Internet) should be forwarded to the CSUB Foundation Manager or the CSUB Director of Community and Public Relations.

#### **University/CSUB Foundation Requests for Project Information**

Requests for information from PIs relating specifically to a CSUB Foundation project that they are responsible for should be granted, including inspecting any records relating to the project. Requests for information from PIs regarding a CSUB Foundation project they are NOT responsible for should be in writing and directed to the SPA Contracts and Grants Administration. Any requests for information from a School/College Dean will be granted when the PI of the project is a member of the faculty or staff of the same School/College.

#### **General Information**

Requests for copies of the CSUB Foundation Annual Report, including an audited statement of CSUB Foundation's financial condition, should be referred to the Foundation Manager. In addition, copies of a mandatory annual audit performed by a certified public accountant for CSUB Foundation are available for review in the Stiern Library. As required by the Internal Revenue Service, CSUB Foundation is required to comply with requests made for CSUB Foundation's tax returns in a timely manner. In relation to CSUB Foundation this includes Form 990 and all schedules and attachments. Any requests related to tax returns should be referred immediately to the Foundation Manager.

**Conflict of Interest Policy**

CSU directive Faculty and Staff Relations- Office of the Chancellor (FSR) 86-05, Conflict of Interest Policy for: Principle Investigator (PI), dated February 14, 1986, among other things, states that unlike business position financial disclosures which occur when the incumbent enters or leaves the position as well as the annual April 1 filing, financial disclosures by principle investigators must take place before the faculty member applies for a non-governmental contract or grant.

The Director of Grants and Contracts, in the Division of Graduate Studies and Research, is responsible for initiating the process. Investigators must disclose significant financial interests at the time of proposal submission and update this information annually or more frequently as new financial interests are obtained during the life of the award. Awards cannot be accepted until any conflict of interest issues are resolved.

Each investigator who has significant financial interest will complete the appropriate Conflict of Interest Disclosure form, Non-governmental Funding Source form 730-U, or the Governmental Funding Source form 700. The appropriate form must be submitted to the Division of Graduate Studies and Research.

Each investigator must make a disclosure at any time during the award period when a material change occurs that presents a conflict of interest as defined by this policy. Supporting documentation that provides details as to the investigator's significant financial interest(s), relationships(s) with external entity(ies), and any other pertinent information should be attached to the form. A Non-governmental Funding Source form 730-U must also be filed within 90 days after the expiration of the contract or grant.

A conflict of interest exists when the review reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, and reporting of the proposed activity(ies). Upon such finding, an Independent Review Committee (IRC), comprising of the Dean of Graduate Studies and Research, the Foundation Manager, the unit Dean, and two faculty chosen at-large, would develop a resolution plan to address the actual or potential conflict of

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interest. The unit Dean, with advise from the Foundation Manager, shall monitor the affected personnel. The IRC's resolution plan will be forwarded to the President or designee for final approval.

Final resolution, as approved ultimately by the President, will be sent to the investigator(s), who will abide by the resolution plan, the project/account file, and other parties deemed appropriate and necessary by the Dean of Graduate Studies and Research or designee.

**NEPOTISM**

See CSUB Foundation Employee Handbook for more information on this policy. Campus maintains the policy regarding nepotism in the administration of Sponsored Programs is consistent with CSU policy, which, in part, states “No CSU employee shall vote, make recommendations or in any way participate in decisions about any personnel matter which may directly affect the selection, appointment, retention, tenure, compensation, promotion, termination, other employment status or interest of a close relative. For the purpose of this policy, “close relative” is defined as husband, wife, mother, father, son, daughter, sister and brother. (see FSA 78-19)