



# Post Award Project Administration Manual

The Office of Sponsored Programs

A Guide for Principal Investigators and Project Directors with Sponsored Projects



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## Introduction

### Purpose of the Manual

This manual is a guide for Principal Investigators (PI) and Program Directors (PD) who manage research grants or other contracts and agreements administered by the CSU Fullerton Auxiliary Services Corporation (ASC) Office of Sponsored Programs (OSP). By reading this manual, you will become familiar with the OSP's implementation of federal, state, local, and private and non-profit laws, policies, rules and regulations. You will also understand how you, as the PI or PD play an integral part in ensuring the grant or contract monies are managed consistently with the intent of the sponsor and in accordance with the law.

Every effort has been made to keep these policies and procedures consistent with the overall policies of the ASC, CSUF, and CSU. Where there are conflicting rules, you should seek the opinion of your Sponsored Programs Administrator. It is a great responsibility to follow the policies and procedures of the ASC and the awarding sponsor. The consistent and successful administration of grant money allows the University to pursue additional funds for important projects of interest to you, your department, the University and the community at large. Future funding is largely determined by our success in managing today's sponsored programs.

The CSU Fullerton Auxiliary Services Corporation (ASC) partners with CSUF faculty and PIs to accomplish their research goals.

### History of the CSU Fullerton Auxiliary Services Corporation (ASC)

CSUF ASC, like all other CSU auxiliaries established under Title 5 of California Code of Regulations was founded:

- To conduct activities “essential to the educational program of a campus”;
- To provide a “reasonable and effective administrative system for certain non-state funded activities essential to the educational mission of the campus”; and
- To “receive gifts, property, and funds to be used for the benefit of such campus...”

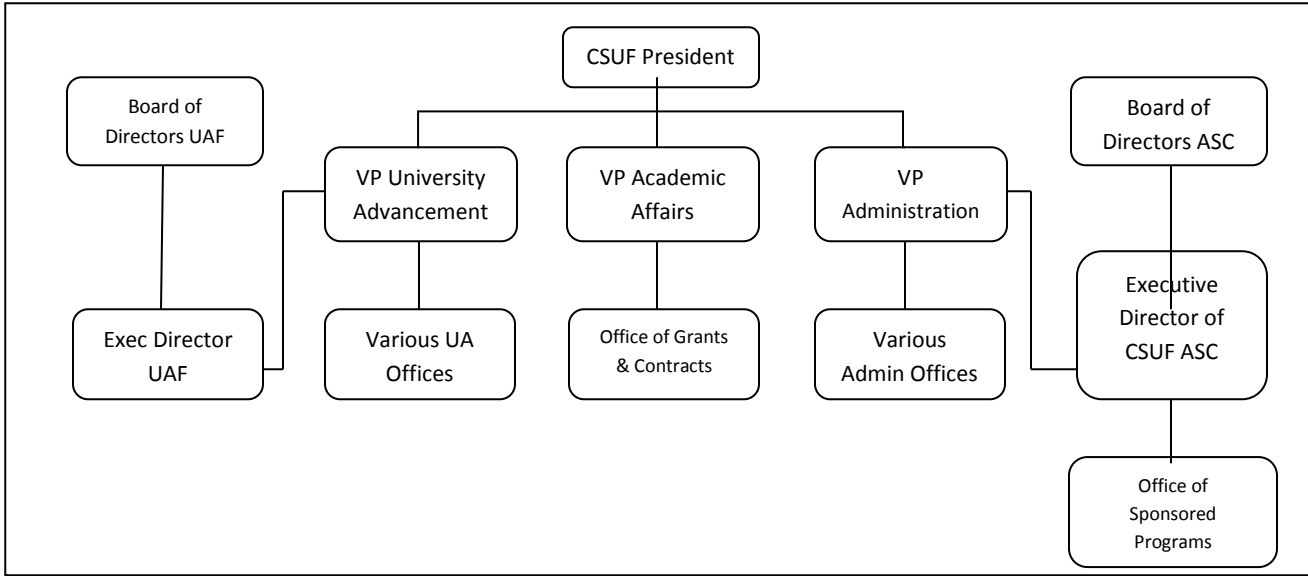
The Foundation was incorporated in 1959 as a non-profit, public benefit corporation to promote and assist the educational mission of California State University, Fullerton. In 2006 the name changed to the CSU Fullerton Auxiliary Services Corporation (ASC).

The ASC has responsibility for the following:

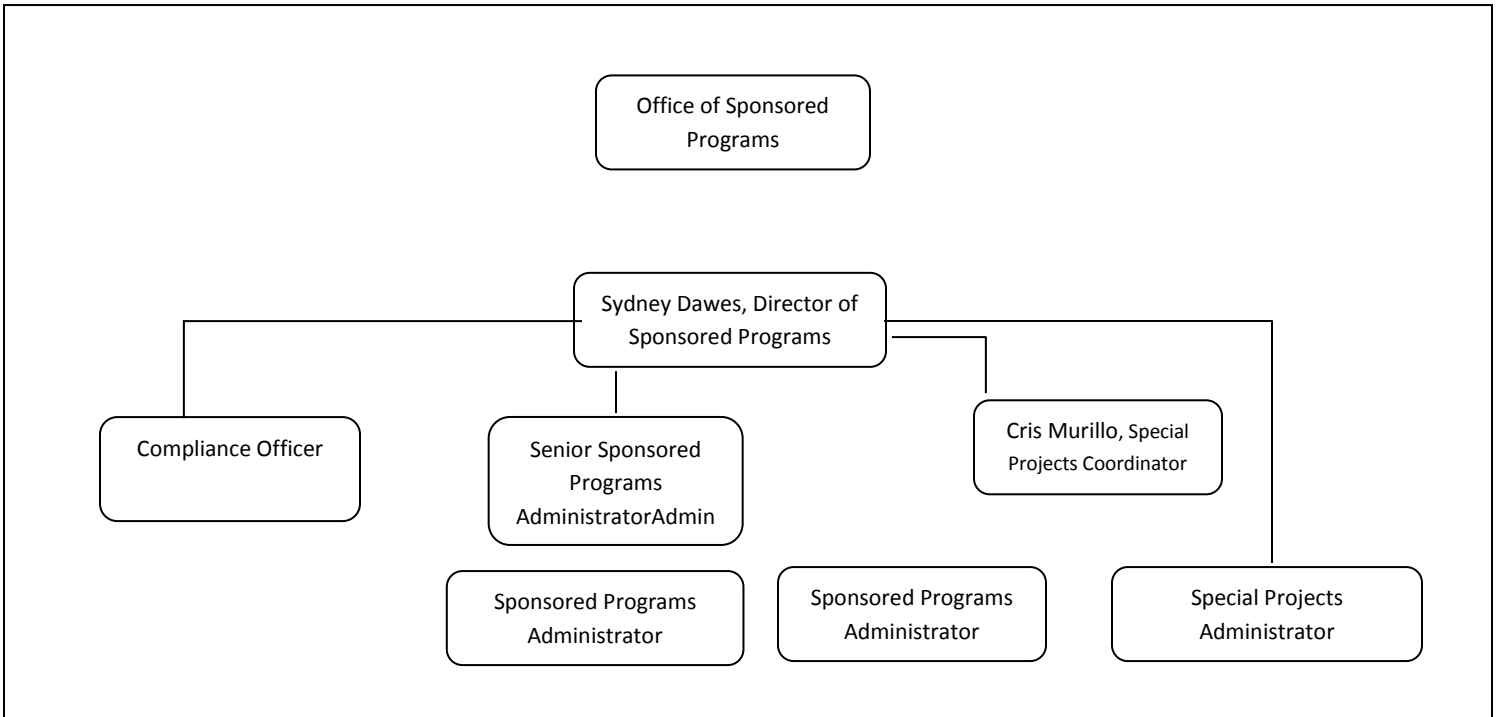
- Administration of federal, state, local and private research grants and contracts through its Office of Sponsored Programs;
- Custodial responsibility for non-state funds generated by University-affiliated activities;
- Management of all food and vending service on campus;
- Business administration of Tucker Wildlife Sanctuary; and
- Other projects and entrepreneurial efforts that support the mission of the University – but which cannot be funded through state funds. Such projects include the Artists Village in Santa Ana, University Gables faculty/staff housing in Buena Park, University Heights faculty/staff housing in Fullerton, the CSU Fullerton Housing Authority and the acquisition and management of the College Park Building across the street from the main campus in Fullerton.

### Structure of the CSU Fullerton Auxiliary Services Corporation

The ASC's Executive Director reports to both the Board of Directors and to CSU, Fullerton Vice President of Administration. The 20 member Board of Directors is composed of CSUF students, faculty, administrators, and community leaders. The Board meets quarterly to conduct ASC business while its Executive Committee meets monthly. The Vice President of Administration is an ex-officio voting member of the Board of Directors and is engaged in providing continuous oversight of the ASC's activities.



### Structure of the Office of Sponsored Programs



## Office of Sponsored Programs (OSP)

The CSU Fullerton Auxiliary Services Corporation (ASC) acts as the administrator and fiscal liaison for all externally funded grants, contracts, and special projects. ASC acts as fiscal sponsor for awards and has responsibility for post-award financial administration.

Within ASC, the Office of Sponsored Programs provides Post- Award services. Post-Award services include project management and project administration services.

Pre-Award Services are provided by the Office of Research and Special Projects (ORSP)

## Who Can Apply for Funding?

A Principal Investigator (“PI”) must be identified for every proposal submitted by the university. While there may be any number of co-Principal Investigators (“co-PI”) involved in a proposal, there must be one individual who is recognized as ultimately responsible for the overall management of the project/program, completion of all required reports and deliverables, and who will serve as the primary technical point of contact for the potential funding agency and California State University, Fullerton (“CSUF”) if the proposal is funded. In some projects, a Principal Investigator may also serve as Project Director (“PD”).

## Principal Investigator (PI) General Eligibility Requirements

Any of the following criteria must be met for an individual to serve as a PI:

- Tenure or Tenure-track faculty member currently employed by the CSUF
- Academic Administrator: Department Chair, College Dean or equivalent, Associate Vice President, Vice President, President
- Full-time employees (normally Administrators/MPPs) of the CSUF or ASC acting in his/her capacity as Center Director (or equivalent appointment)
- A faculty member with emeritus status, with prior approvals from the College Dean or Division Head/Vice President, and Associate Vice President for the Office of Research and Sponsored Projects (AVP-OSRP)
- Non-tenured faculty such as Adjunct Faculty or Lecturer, with prior approvals from the College Dean or Division Head/Vice President, and AVP-OSRP

Special Circumstances:

- A Visiting Faculty (with temporary appointment) may serve as Co-PI for a proposed project, provided that the main PI is a full-time faculty member or Academic Administrator (as defined above) and the funding agency allows such.
- Students submitting proposals where an award is issued to the CSUF or ASC must be sponsored by a faculty member or academic administrator who acts as the designated PI. If the sponsor guidelines require, the student may be listed as a co-investigator, but may not be the point of contact for the project.

**Note: *Prior approvals* may be provided via email or signed “PI Approval Form” (template provided on Page 2). Some colleges and departments may have specific guidelines on PI eligibility. Prospective PIs or co-PIs should check with her/his department and/or college to ensure that he/she meets their unit’s specific eligibility requirements**

For additional information, contact the [Office of Research Development \(ORD\)](#) or [Office of Grants and Contracts \(OGC\)](#)

## Principal Investigator Responsibilities

The administrative and fiscal responsibility for management of a sponsored project resides with the **principal investigator** (PI) named in the award. In the eyes of the funding agency, the individual who is primarily responsible for the *overall conduct of a project* is the PI. Some agencies use the terms principal investigator and project director (PD) interchangeably to refer to the individuals with primary project responsibilities. When more than one individual is responsible for the conduct of a project, each one is usually called a **co-principal investigator** or **Co-PI**.

### Responsibilities include:

- Conduct the work on the project according to the research protocol or statement/scope of work that was submitted with the original proposal or as subsequently modified by the sponsor in agreement with the principal investigator and the university.
- Ensure that all required forms and certifications are completed in a timely manner.
- Ensure that all work meets the highest ethical standards and conducted without conflicts of interest.
- Ensure that all work performed is conducted in compliance with applicable federal, state, and local laws and with CSUF and ASC OSP policies,
- Submit reports on the research in a timely manner and according to the sponsor's requirements.
- Abide by the terms and conditions of the award.
- Manage the project's budget so that funds are spent correctly, taking into account any restrictions imposed by the sponsor to avoid overspending.
- Manage project personnel in compliance with federal and state laws and ASC OSP policies.
- Ensure that all expenditures are in compliance with the approved budget, the contract or grant, and ASC OSP policies.
- Ensure that all requests for reimbursements are submitted to ASC OSP within a timely manner after the expense is incurred.
- Ensure compliance with federal regulations, including those relating to:
  1. Protection of Human Subjects
  2. Care and Use of Animals
  3. Conflicts of Interest
  4. Scientific Misconduct

## Sponsored Programs Administrator Responsibilities

When an award is received, a Sponsored Programs Administrator is assigned to the project to manage the fiscal aspects of the grant from award notice to close-out. Typically, one sponsored Programs administrator will manage all of the funds associated with a particular PI.

### Upon receipt of an award, the sponsored programs administrator does the following:

1. Retains all records (including reports) for three years past the final report submission date in accordance with OMB guidelines and the CSUF Auxiliary Services Record Retention Policy.



## Responsibilities include:

- Establish an account and monitors the funds
- Inform and advise the PI on sponsoring agency's regulations and reporting requirements
- Monitor expenditures to ensure compliance with sponsoring agency, university, and ASC OSP policies and procedures
- Serve as liaisons between principal investigators and other departments within the ASC and CSUF (such as Human Resources, Payroll, and Business and Financial Services).
- Act as a primary point of administrative contact for the sponsoring agency.
- Follow up with principal investigators on cost share if required by the agency.
- Ensure that technical progress and fiscal reports are submitted to the agency on time.
- Assist the PI with all official correspondence such as progress or technical reports, requests for budget revisions or requests for time extensions to the sponsoring agency.
- Closing out accounts.
- Retains project file (including reports) for three years past the final report submission date in accordance with OMB guidelines and the CSUF Auxiliary Services Record Retention Policy.

## Change in PI/PD

If a current PI or PD severs his/her affiliation with the CSUF or ASC or otherwise relinquishes direction of the project, s/he will notify the ASC's Office of Sponsored Programs (OSP) of such change.

## How to Get Started

**Office of Research Development (ORD)** – assists faculty in identifying funding sources for their research/creative activity; promotes institutional and collaborative grant development; provides guidance, training, and assistance in preparing high quality, competitive proposals.

**Email:** ORD@fullerton.edu

## Pre-Award

**Office of Grants and Contracts (OGC)** – assists with proposal preparation, review, and submission to external funding agencies; assures compliance with agency requirements; serves as the lead in the review of grant awards and the issuance, review, and negotiation of contracts, subcontracts, and related agreements.

**Email:** ogc1@fullerton.edu

Allowing sufficient time in the proposal process is critical. In addition to the funding agency's deadline, proposals must go through a number of on-campus institutional reviews before receiving final authorization for submission to the funding agency.

The on-campus institutional review (routing) of the proposal should begin no later than seven days prior to the sponsor's mandated proposal submission deadline. Please note that the colleges may require additional time for review. To allow routing to begin on schedule, plan to work with your Grants and Contract Administrator at least 10 to 14 working days prior to the sponsor's submission deadline, to finalize your project budget and to submit a completed narrative that addresses all elements of the proposed scope including all attachments and specific details such as cost share or use of required facilities.

The final completed proposal package should be submitted to the Office of Grants and Contracts at least three working days before the sponsor's proposal submission deadline.

## **Institutional On-Campus Review and Authorization Required to Submit Proposals**

The Cayuse Routing System is used to obtain signatures necessary for final authorization and to certify adherence to compliance. Each proposal for funding must be reviewed and signed by all of the following signatories either by using the Cayuse Routing System. For proposals that involved more than one department or college, appropriate signatures from all academic units must be obtained prior to submitting a proposal.

2. Principal Investigator(s)
3. College Dean
4. Department Chair
5. OSP Director, CSUF Auxiliary Services Corporation
6. OGC Director, CSU Fullerton
7. AVP of Research (ORSP)
8. University Risk Manager

## **Grant Administration**

### **OPAS – Prior Authorization to Spend Before Official Award**

On occasion, Principal Investigators may wish to access grant funds before they are made available from the sponsor; an example of which is when the sponsor has provided the Office of Grants and Grants or the Office of Sponsored Programs a letter of intent to fund a certain project but due to administrative issues the actual contract has not been received. In such cases, the Office of Sponsored Programs may provide an advance to initiate the project. The federal government will only reimburse the Office of Sponsored Programs for pre-approved “startup” expenses that are incurred prior to the start of the project-funding period; therefore, any advances by the ASC will be limited and closely scrutinized.

An advance can be requested using the [OPAS form](#) that must be signed by the Director of Sponsored Programs. Upon approval, your request for advanced funding will be processed by the Sponsored Programs Administrator and an account number will be assigned for your new project. If upon review, it is decided that the risk is too high, the Director of Sponsored Programs will contact you to discuss your advanced funding request.

The period of your advanced funding will depend upon the period of your project, but under no circumstances will the advanced funding period exceed four (4) months. At the end of the four months and/or when the advanced budget has been fully expended, your project will be inactivated until such time that the Office of Sponsored Programs has received a signed agreement. If it is later determined that an agreement between the sponsor and the Office of Sponsored Programs cannot be finalized, all expenditures charged against the advanced funding account will be transferred to the Auxiliary Services or state account listed on the OPAS form. It is important to note that there must be an account (such as a discretionary account) listed on the OPAS for which the Office of Sponsored Programs is authorized to transfer all non-reimbursable expenditures incurred during the OPAS period to the designated account number.

When completing the OPAS form, please note that **no more than 25%** of the total amount of your award can be listed in the budget portion. This total must be then allocated to the appropriate Sponsored Programs budget line item needed for this advance.

## **New Account Set-up and Orientation**

The Office of Sponsored Programs establishes an account when a copy of the official award notification is received from the sponsor. Because the awarding agency may notify any number of people that funding has been awarded, if you receive an award notice, forward a copy to the Director of Sponsored Programs.

Some awards, especially contracts, may be negotiated after the sponsor has decided to carry out a project with the Office of Sponsored Programs. The Office of Grants and Contracts coordinates that process. Once negotiated, the contract award is complete, and the contract is prepared and signed by the Executive Director and by the sponsor's designated authority.

Once award notification is received, the Sponsored Programs administrator will set up the budget in the system and email the PI regarding an orientation meeting. The orientation should include the PI, and at the request of the PI include any other staff that will have significant involvement in the administration of the award. The orientation meeting is a ***mandatory*** meeting and must take place prior to any expenditure on the grant/contract. The meeting will be to:

- Review the PI handbook;
- Inform about University, ASC, and OSP policies and procedures;
- Review the terms and conditions of the award;
- Review and adjust the project budget;
- Establish the PI's signature record; and
- Provide an account number to the PI.

Once the orientation meeting is complete, the Sponsored Programs Administrator will send out a Notice of Award email to all appropriate parties. At such time the PI can request other individuals such as administrative staff be given account access for budget monitoring. It is the responsibility of the PI to monitor their budget closely and track expenditures.

## **Financial Conflict of Interest (FCOI)**

Specific Sponsored Program Funders for which FCOI disclosure is required by Investigators before a proposal is submitted or an award is accepted include the following (dependent on the funder).

- National Science Foundation (NSF), Public Health Service (PHS) funds (NIH, FDA, CDC, IHS, HRSA, SAMHSA, AHRQ, ATSDR), including any other agency issuing PHS funds; as well as subcontracts made through another institution for the flow down of NSF or PHS funds; other agencies adopting the federal requirements.
- Private Industry and Private Non-Profit except those excluded from the requirement, as listed in Appendix B of HR2005-38 <http://www.calstate.edu/HRAAdm/pdf2005/HR2005-38.pdf>.
- Any government agency that includes conflict of interest requirements in a contract or grant.

**The Principal Investigator must make a financial disclosure using a specific FCOI disclosure form.**

**For all nonexempt private sponsors, the Principal Investigator completes a Form 700U**

[http://www.fppc.ca.gov/content/dam/fppc/NSDocuments/LegalDiv/Regulations/ProposedRegs/IP%20Meetings/Form%20700U%20\(IP%20Draft\).pdf](http://www.fppc.ca.gov/content/dam/fppc/NSDocuments/LegalDiv/Regulations/ProposedRegs/IP%20Meetings/Form%20700U%20(IP%20Draft).pdf)

State regulations require an investigator to disclose whether or not he or she has a direct or indirect financial interest in the project's sponsor. If the sponsor is a private organization, a Statement of Economic Interest (Form 700U) may be required. Disclosures of financial interest will be reviewed by an independent review committee, and it will be determined if the conflict can be appropriately managed, reduced, or eliminated. CSU Principal Investigators are required to file the following Statements, as appropriate:

The initial statement must be submitted to the Office of Grants and Contracts before final acceptance of an award. The statement shall include reportable investments and positions with the sponsor as of the date of the offer of funding, and income and gifts received from the sponsor within 12 months prior to the date of the offer.

An interim statement must be filed within 30 days after funding is renewed and shall disclose reportable investments, income, and business positions held or received during the project period between the date the initial statement was filed and the date the funding for the project was renewed.

**Financial Conflict of Interest (FCOI) Disclosure Statement – National Science Foundation (NSF) and Public Health Services (PHS) or other agencies adopting the federal requirements funded research projects, the Investigator completes a Conflict of Interest Disclosure Form.**

The FCOI disclosure statement will be completed during the initial proposal stage and annually for all ongoing projects as follows:

1. Before the expenditure of funds;
2. Within 60 days of the identification of an Investigator who is newly participating in the project;
3. Within 60 days for new, or newly identified, FCOIs for existing Investigators;
4. ONLY FOR PHS PROJECTS – At least annually (at the same time as when the University is required to submit the annual progress report, multi-year progress report, if applicable, or at the time of extension) to provide the status of the FCOI and any changes to the management plan, if applicable until the completion of the project;
5. Following a retrospective view to update a previously submitted report, if appropriate.

Once the award is received and transmitted to ASC, the appropriate FCOI/COI statement will accompany the award documents and be maintained in the grant file. Subsequent filings will be the responsibility of ASC OSP in accordance with the guidelines documented above.

## **Project Budget**

In most cases, a budget is provided to the Office of Sponsored Programs when the proposal is submitted to the sponsor. It is the PI's responsibility to ensure that the Administrator at OSP has a copy of the final approved budget with the line item detail before work begins.

Modifications among the budget categories may be made within the guidelines of the funding agency (which would be discussed in the orientation meeting). Other modifications or revisions not covered by the funding agency guidelines will be honored only upon written authorization from the funding agency.

## **Direct Costs**

A direct cost is a cost that can be identified with a specific sponsored project that can be directly assigned to project activities relatively easily and with a high degree of accuracy. Examples of direct costs include salaries of technical staff, fringe benefits, equipment, travel, participant costs, supplies and services, subcontracts, telecommunications, publication costs, animals, and animal care costs.

## Facilities and Administrative Costs

Facilities and Administrative (“F&A”) costs (also referred to as indirect costs or overhead) constitute reimbursements paid by sponsors to the institution to support general operating expenses and costs incurred by both CSU Fullerton and CSU Fullerton Auxiliary Services Corporation in support of sponsored programs that are not readily associated with a single project, account, or transaction. F&A rates for educational institutions are reviewed and approved by the U.S. Department of Health and Human Services (DHHS) every five years.

### Examples of F&A costs include:

9. Depreciation and interest cost associated with the university’s physical plant
10. Operating and maintenance costs such as utility costs, security costs, and custodial costs
11. Common administrative functions such as payroll and purchasing

F&A costs include general administrative services such as campus and department administration, proposal and contract management, financial accounting, payroll, procurement, human resource administration, legal, and other operating expenses associated with the management of externally-funded sponsored research.

## Allowable and Unallowable Costs

CSU Fullerton Auxiliary Services Corporation and the Office of Sponsored Programs are required to apply certain standards to expenditures charged to restricted funds awarded through grants, contracts, cooperative agreements, and other agreements. The Office of Management and Budget (OMB) “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR, Part 200)” contains federal regulations for the administration of federal awards. 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, San Diego State University’s academic philosophies and institutional objectives, as well as CSU Fullerton Auxiliary Services Corporation’s overall policies and procedures. Further, expenses must be necessary to the program, submitted in a timely manner, and supported by appropriate documentation as defined further in this section.

For a proposed expenditure on a grant or contract to be approved by OSP, the cost must be allowable, allocable, and reasonable and consistent under the federal cost principles outlined in 2 CFR Part 200 (Uniform Guidance) as applicable.

1. **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 outlined in the sponsored agreement and/or 2 CFR Part 200 (Uniform Guidance) as applicable.
2. **Allocability:** 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. This means the cost has been incurred specifically to support or advance the work of the sponsored agreement and it is consistent with the scope of work contained in the award document. 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 to meet

deficiencies caused by overruns, other funds requirements to avoid restrictions or other reasons of convenience.

3. **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 arms-length bargaining. The reasonableness criterion requires that those expending from CSU Fullerton Auxiliary Services Corporation funds apply common business sense.

Sponsored programs Administrators also review all payment documents and requests for reimbursement with the following principles in mind:

1. **Consistency:** Transactions must be treated in a consistent manner. CSU Fullerton Auxiliary Services Corporation policies have been designed to address similar types of transactions in a consistent manner.
2. **Timely Processing of Payment Documents:** All requests for reimbursements, personnel appointments, and reimbursement for payments to vendors should be submitted within 90 days of their origination. CSU Fullerton Auxiliary Services Corporation 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 within 30 days of the date of invoice.

2 CFR Part 200.343 OMB Uniform Guidance 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 may be deemed unallowable. The PI and project staff is responsible for submitting all payment documents in a timely manner to their assigned Sponsored Programs Administrator. Sponsored Programs Administrators may request additional justification for payment documents submitted outside of the 90-day window, and additional management review may be required.

3. **Justification:** There must be sufficient justification showing the expenditure supports the project's goals and adheres to sponsor and CSU Fullerton Auxiliary Services Corporation guidelines.
4. **Documentation:** Sufficient documentation to support the transaction, such as an itemized, dated 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 signature of the PI or another individual who has been authorized to incur expenses on a specific sponsored agreement.

Regulations and policies governing costs may vary significantly among different sponsors. However, the guidelines of federal sponsors are typically the most prohibitive and will usually be used (along with GASB and FASB) to determine allowable costs. The Federal Acquisition Regulations (FAR), Office Management and Budget (OMB) 2 CFR 200 Uniform Guidance are some of the most frequently used guidelines to determine whether an expenditure is allowable.

### Cost Overrun

A cost overrun is when total expenditures and obligations exceed funding. PI's must ensure that all expenditures and obligations are within the approved budget. PI's must rectify cost overruns should they occur. Some available options to remedy cost overruns are:

1. PI's available agency account;
2. Department funds, which require Chair or Dean approval;

3. Indirect Cost allocation funds, which require Dean approval: or
4. Transfer expenditures to another closely related project
  - a. For example, if a federal project requires cash match, the expenditures overrun on the federal project could be transferred to the cash match account assuming there is a remaining balance

### **Approval for Grant Changes**

Each sponsor has preferences about how changes to the grant should be handled. The terms and conditions of the award which are discussed during the orientation meeting will provide the PI with approved and allowed changes.

### **No-Cost Extensions**

No-cost extensions are usually requested by the PI due to project delays, where additional time is needed to carry out the approved scope of work, but no additional funding is required. **The fact that funds remain at the end of a project is not sufficient justification for an extension.** The PI should describe the reason for the extension along with the spending plan for the unexpended balance. Expanded Authorities on many federal grants and cooperative agreements may allow OSP to approve a single no-cost extension.

### **PI Transfer/Absence/Reduction of Effort**

Advanced written sponsor approval is required when a PI intends to transfer to another institution, plans to be absent from the project for three months or more, or reduce his or her level of effort by 25% or more from the awarded level. The PI, working with the SPA, is responsible for Key Personnel reductions in effort requiring the need for prior sponsor approval.

### **Scope of Work Change**

Any change in the proposed scope of work requires sponsor approval. The PI should describe the scope change needed and the impact the change may have on the budget.

### **Carry-forward**

Certain sponsor awards may not allow automatic carry-forward of unexpended funds for each budget period. The PI must review the sponsored award terms closely to ensure whether the award requires advance sponsor approval for carry-forward of unexpended funds to the next budget period.

### **Significant Re-budgeting**

Re-budgeting of awarded costs may be considered significant when the change results in re-budgeting a single direct cost budget category by more than 25% of the total award. Depending on the terms of the award, the PI may be required to submit a revised budget to the sponsor explaining the need for significantly re-budgeting project costs. Significant re-budgeting may indicate a change in the scope of work.

### **Cost Transfer**

As defined in the Policy, a cost transfer is any transfer of expenditures to or from a sponsored project to align costs with the actual benefit received on the project. The subsequent procedure should be followed when requesting a cost transfer to or from a sponsored project. It is important to note that transfers made to an unrestricted account to clear a deficit on a

sponsored account are not considered cost transfers. If cost sharing is required for the sponsored agreement with the deficit, these costs may be used to offset the cost sharing requirement.

To initiate a cost transfer request to a sponsored project account, the PI is responsible for completing a Cost Transfer Request Form in accordance with the associated directions. The request form may be sent electronically to the responsible Sponsored Programs Administrator from the PI or a designee's e-mail, the e-mail will serve as adequate authorization for the cost transfer. The PI should review the request for completeness and accuracy. The PI should ensure that these requests:

1. Are within 90 days of the original transaction,
2. Identify a specific expense to be transferred, and ensure that any costs being transferred to a Sponsored Project account are compliant with the Charging Expenditures on Sponsored Projects
3. Provide additional justification (section 3 & 4 of the Cost Transfer Request Form) if the request is not made within the 90 day period.

Cost transfers not made within the time frames stated above will be reviewed on a case-by-case basis and require signature approved by the appropriate Chair/Dean or Senior Fiscal Officer (when applicable).

The following illustrates appropriate and inappropriate reasons to request a cost transfer, please contact the Office of Sponsored Programs (OSP) for further guidance or clarification.

#### Acceptable Reasons for a Cost Transfer

1. To transfer labor dollars to align with actual effort devoted.
2. To correct a clerical or bookkeeping error on original transaction forms such as a transposition of numbers.
3. To transfer sponsor approved pre-award costs to a sponsored account once it has been established.
4. To move expenses between projects which have been designated as "closely related projects" by a National Institutes of Health (NIH) or National Science Foundation (NSF) Grants Officer.

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 to another sponsored agreement.

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

Once the Cost Transfer Request Form is completed, it should be sent to the Sponsored Programs Administrator (SPA). The SPA is responsible for reviewing and approving all cost transfer requests and ensuring that they are compliant with the guidelines established within this procedure. Should the SPA decide that the cost transfer is not appropriate, it will be returned to the PI. If approved, the SPA will complete a Journal Entry (JE) for the expense to be transferred and will route it to the Accounting office for processing

### **Cost Sharing / Cost Match**

It is the practice of the ASC and University NOT to include Cost sharing/cost match on sponsored projects; however, some sponsored agreements require the University to contribute a portion of the costs. Specific cost sharing commitments are usually identified in the proposed budget and, unless renegotiated with the sponsor, is a firm commitment of the University resources to the project. Cost sharing/cost match that is not required by the sponsor is called voluntary cost sharing/match. If a proposal is funded that includes voluntary cost sharing/match, the same requirements applicable to the



sponsor required cost sharing/cost match apply. In addition, voluntary cost sharing/cost match requires the approval of the College Dean and Associate VP of Academic Affairs.

Two types of cost match:

1. Cash Match
  - a. Cash contributions represent the recipient's cash outlay, including the money contributed to the recipient by non-federal third parties
2. In-Kind Match
  - a. 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

The Cost Match Guidance sheet provides guidance on the type of documentation required when cost sharing is committed on awards. Contributions must be verifiable, not included as contributions for any other federally assisted project or program, necessary and reasonable for proper and efficient completion of project or program objectives, allowable under applicable cost principles, not paid by federal government under another award except where authorized by federal statute to be used for cost sharing or matching, provided for in the approved budget when required, and conform to other provisions of 2 CFR 200 Subpart D 200.306.

The Sponsored Programs Administrator will request cost match documentation no less than annually. The *Administrator will complete* to the best of their ability the Cost Match Form. It is the PI's responsibility to review and correct the form, sign, obtain chair/dean signatures, and return to the administrator along with all appropriate backup documentation.

For further information, please reference the Cost Sharing Policy.

## **Program Income**

Any project-related income (such as workshop registration fees, rental fees, sales of publications, royalties, or sales of materials and services fees) must be deposited into a separate Sponsored Programs account which will be set up by the Sponsored Programs Administrator in accordance with the sponsor's regulations and agreements and reported to the sponsor. Program income shall be retained and added to the project to be used to further program objectives; used to finance the cost sharing of the project; or deducted from the total project costs when determining the sponsor share of the project. The sponsor will direct how program income must be accounted.

## **Project Deliverables**

### **Technical Progress / Performance Reports**

Most granting agencies require progress reports at various intervals of the grant/contract period. Progress reports will always be requested for grant continuation, renewal or close-out. Upon project completion or termination, a final technical report, prepared in accordance with the applicable program rules, is required. PI's must submit reports directly to the granting agency. PI's who have contracts instead of grants may be required to deliver specified products or services. *PI's must also submit copies of all reports and transmittal letters to the Office of Sponsored Programs.* If the report is too long to submit a complete copy to the Office of Sponsored Programs, provide a copy of the table of contents and the executive summary as well as the transmittal letter.

All project records must be kept on campus and in the office of the PI or the Office of Sponsored Programs in hard copy or electronic format.

### **Financial Report**

In addition to Progress Reports, most sponsors also require financial reports. The Office of Sponsored Programs provides financial reports that include all expenditures, program income, cost-sharing contributions and other financial information as required by the sponsor.

### **Tasks, Milestones, or Specific Deliverables**

Some projects, usually those governed by a contract rather than a grant, require the completion of tasks, milestones or specific deliverables, such as a report or product. The completion of tasks, milestones, and specific deliverables must be evidenced by a report or a copy of the deliverable itself, if appropriate, to the Research Foundation to establish an official record of compliance.

### **Grant/Contract Closeout**

All expenditures must be finalized before the scheduled project end date. Sponsored Programs Administrators work with principal investigators to finalize all expenditures in preparation for submission of final invoices and reports to sponsoring agencies. CSU Fullerton Auxiliary Services Corporation (ASC) is required to submit all final reports and invoicing as defined in the sponsoring agency requirements. Failure to adhere to these requirements may negatively impact the organization's opportunities for future funding.

### **Technical Reports**

Principal investigators are responsible for submitting the final technical reports and for retaining copies of all program materials and project reports. Copies of the reports or proof of report acceptance must be forwarded to the sponsored programs administrator. The project is generally not considered closed until the final technical reports have been submitted to the agency.

### **Financial and Other Reports**

Based on the nature of the project additional reports may be required by the sponsoring agency, such as the fiscal report, invention technology reports, or the equipment inventory report.

The majority of CSUF ASC Projects are cost-reimbursable; however, periodically a sponsor will agree to pay a set fee for satisfactory completion of services (a fixed price agreement). This means the sponsor provides payments of the total award regardless of the actual cost. In the event the PI completed the project for less than the agreed upon rate, the remaining *direct* cost (the residual balance) will be transferred to a fixed price residual account for the PI. The maximum allowable residual balance transfer is 25% or less of the entire awarded amount. Remaining amounts more than 25% require additional detail and explanation and approval by the Sponsored Programs Director.

### **Audit Requirements and Record Retention**

The Auxiliary Services Corporation and all sponsored projects are subject to audits. An external, independent accounting firm conducts annual audits of the ASC's financial \$750,000 or more in a year of federal funds.

Periodic audits are also performed by the Chancellor's Office, federal funding agencies, private sponsors and other interested parties.

Sponsoring agencies generally require the financial records on closed awards are retained for three years after the last report has been submitted; however, some sponsoring agencies require records to be retained for five years.

## **Personnel**

Depending on what was proposed to the sponsor there are two distinctive types of personnel that can be on a sponsored project; state-side employees (i.e., faculty or staff) and ASC employees. State-side employees include faculty and staff whose primary appointment/employer is CSU Fullerton. These individuals will be paid through the grant using release time which is a "buy out" of a faculty or state-side staff's time. The university will regularly pay these individuals, a release time form will be completed by the individual, and the Office of Sponsored Programs will reimburse the University for their bought out time. ASC employees include all other personnel that needs to be hired on to the grant (i.e., program staff and students). These individuals will be hired through ASC's Human Resources and paid through ASC's Payroll which will be charged to the grant directly (rather than being reimbursed to the university).

## **Principal Investigator's Supervisory Responsibilities**

Research Foundation Human Resources partners with principal investigators and project administrators to ensure compliance with all pertinent labor laws, ASC policies, federal, state, and sponsoring agency guidelines, and good business practices. Each principal investigator assumes the role of supervisor for his or her project and is responsible for ensuring compliance with guidelines and regulations regarding employee hiring, appropriate wage compensation, and timely submission of pay data for employee labor. Supervisors must at all times adhere to the CSUF ASC policies

## **Hiring Employees**

CSUF ASC HR hiring procedures ensure that all legal and government regulations are met and maintained. Employees are not authorized to begin work until all required steps have been approved and completed. These may include E-Verify, Background Checks, Live Scan, and new hire documentation.

## **E-Verify**

E-Verify is an Internet-based system that allows an employer to electronically determine the eligibility of an employee to work in the United States legally. The E-Verify process is mandatory for those employers with federal contracts or subcontracts that contain the Federal Acquisition Regulation (FAR) E-Verify clause.

## **Background Checks & Live Scan**

The ASC Background Checks policy aligns with the CSU policy and directives. The ASC has retained the services of a third party agency—the Accurate Background company—to perform these services. The policy applies to the hiring of all new or re-hired benefited employees and employees hired into sensitive positions. Job offers are strictly conditional based upon successful completion of background checks.

In addition to background checks, Live Scan fingerprinting is required of any employee (including benefited employees, student assistants, and volunteers) whose job assignment falls into the "sensitive" category. "Sensitive" job categories are generally those that fall into the areas of finance, working with or around minors, or having access to Level 1 Security information.

Note: A new employee is not authorized to start work until this process is successfully completed.

## Human Resources and Payroll Policies and Procedures

Individuals hired for sponsored projects will go through ASC Human Resources and Payroll. To hire employees for the sponsored project the PI needs to complete a Personnel Transaction Report and submit to Human Resources. The selected candidate must contact Human Resources to set up an orientation time prior to beginning work. During orientation, the new hire completes all appropriate paperwork and is informed of all rules and regulations. *Only after* the new hire has completed orientation can they begin to work on the project. The employee will be responsible for completing their timesheet bi-weekly according to the payroll schedule, obtaining PI signatures, and submitting to ASC Payroll appropriately. Please visit the websites below for further information on contact information, policies and procedures, and forms for ASC Payroll and Human Resources:

1. [Human Resources and Payroll Directory](#)
2. [ASC Employee Policies and Procedures](#)
3. [ASC Employee Forms:](#)
4. [ASC Employee Benefits:](#)

## Faculty Release Time

Faculty release time is used to “buy out” a faculty member’s time. Weighted teaching units (WTUs) are released when a Dean authorizes a faculty member to spend time working on a project instead of teaching a class. The grant reimburses the University for this time. Faculty members who are released during the academic year must complete a Release Time Form that identifies the number of units being released for each project, and the salary and fringe amount to be paid by the grant reimbursed to the university. The form must have all appropriate signatures and returned to the Office of Sponsored Programs. Once the form has been returned the Sponsored Programs administrator will encumber the funds for salary and fringe benefits until Sponsored Programs receives an invoice from the University; at which time the invoice will be paid, and the encumbrance will be converted into an actual expense on the grant.

## Faculty Overload Salary

The hiring of CSU staff or faculty by CSU Fullerton Auxiliary Services Corporation is restricted and controlled by Additional Employment policy and the regulations of the CSU. Additional Employment is a method by which a university employee (usually a faculty member) may receive direct payment of salary for services related to a sponsored research project. The guidelines may be subject to further restriction by the funding source.

Effective 11/30/18 the Faculty Additional Pay is processed through the Special Consultant Pay Request System (SCPR) and paid through ASC payroll.

- **Step 1:** The requestor contacts the appropriate ASC Sponsored Programs administrator to request a new pay commitment in the SCPR.
- **Step 2:** The ASC Sponsored Programs administrator will enter the pay commitment into the SCPR System

- **Step 3:** The SCPR workflow remains the same with the Project Director (Funding Source Manager) allocating a payment to a Faculty Consultant, the Dean or corresponding official approves, ASC or PF reviews and encumbers the payment amount. \*See note for Step 3 below.
- **Step 4:** Faculty Consultant schedules work days in the SCPR. After the work is complete, Faculty Consultant certifies, then Project Director signs in to certify.
- **Step 5:** ASC payroll coordinator extracts certified payment data and uploads to ASC payroll system.
- **Step 6:** The ASC issues payment on payday according to the ASC's biweekly payroll schedule for both ASC and additional work.

**\*Note for Step 3:** If the consultant has not completed the ASC hiring process, the PI/PD submits an ASC PTR form to hire the consultant. The consultant completes the ASC hiring process (work eligibility documents, online orientation, and a background check if needed). The SCPR payment request process can progress up to the request for an encumbrance against the grant account. Once the consultant has completed the hiring process, the SCPR payment request can be encumbered and work days scheduled.

## Employment Terminations

No employee shall be terminated without HR knowledge and agreement in advance of termination.

### Voluntary terminations

When an employee notifies their manager that he or she is terminating employment, the manager should complete the Appointment Form and a final timesheet. Both completed forms must be submitted to Human Resources at least three working days before the employee's termination date.

### Involuntary terminations

In instances where an involuntary termination is necessary, the principal investigator or manager must arrange a meeting with Human Resources to discuss reasons for the proposed termination. Human Resources may investigate the issues before any final actions are taken. Once discussions and agreement take place between Human Resources and the manager, the termination date is agreed upon. The manager is responsible for completing the Appointment Form and timesheet, and for forwarding both forms to Human Resources. Human Resources will coordinate issuance of the final check with Payroll. The final check must be provided to the employee on his or her last day of work.

### Final Paycheck

For Involuntary termination: the employee's final check must be given immediately.

For Voluntary termination: with more than 72 hours' notice, the employee's final check must be given on the last day of work. For Voluntary termination with less than 72 hours' notice, the employee's final check must be given not later than 72 hours after the notice is given. Personnel Transaction Record (PTR) form must be completed, signed and submitted to the ASC HR department in a timely manner. This will ensure that all final checks are processed timely and in compliance.

**Complaint Procedure**

In the workplace, from time to time, there are differences of opinion, miscommunications, and misunderstandings between employees, and sometimes between management and one or more employees. The ASC understands that conflicts do not benefit either the ASC or the employee. Employees and managers are encouraged to resolve differences at the earliest possible date.

Any concerns or complaints of alleged discrimination or harassment that involve ASC employees, including staff, students, or volunteers must be brought to the attention of principal investigators, managers or supervisors immediately. Such concerns, complaints, and incidents must also be reported to ASC Human Resources in a timely manner, either by the complainant or by the principal investigator, manager, or supervisor.

**Effort Reporting**

Effort reporting is required for all individuals working on any federal project and is required by the Office of Management and Budget (OMB) as set forth in Uniform Guidance. The Office of Sponsored Programs will distribute Faculty Effort Reports to each individual working on federal projects three times per year; approximately 8 weeks after the end of the academic terms

Fall Semester	Includes Winter Intersession
Spring Semester	Includes Spring break
Summer Session	

Effort certification is the means by which an employee documents the proportion of time allocated to each of the activities in which he or she is involved. Effort certification differs from payroll distributions in that effort certification describes the allocation of an employee’s activity to individual projects, independent of salary.

When properly filled out, effort certification provides a record of 100% of employee effort. The effort percentages for effort certifications must total exactly 100%, regardless of the actual number of hours expended on those activities. Effort is defined as the total scope of responsibilities, regardless of the actual number of hours worked. It is important to note that effort is not calculated on a 40-hour work week. If an individual works typically 50 hours in a week, 40 hours represents 80% effort.

Since effort reporting is required for all individuals working on federal or federal pass-through projects, it is important the Office of Sponsored Programs receive the completed forms promptly. As stated the effort report form will be distributed to each individual per the table above.

Certification of effort for ASC exempt employees is collected on a monthly basis. Exempt employees are required to complete, sign and submit the ASC Exempt Employee Effort Certification form to the Office of Sponsored Programs on the 10<sup>th</sup> day of each month for the previous month’s effort. The effort for non-exempt ASC employees is certified through the bi-weekly submission of the individuals’ timesheet.

**Purchasing**

**Purchasing Policy**

The [ASC Purchasing Policy](#) includes the purchase of equipment, materials, supplies, and services necessary for ASC activities. The policy reviews “Bidding Guidelines” for purchases in excess of \$5,000. Purchases made between \$5,000

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and \$25,000 require three or more informal price quotes from different vendors either in writing, email or by telephone. Documentation should include date, vendor name, contact person, phone number, and be attached to the requisition or be maintained on file. On rare occasions where different vendors cannot be obtained (i.e., the item or service is so specialized that only one vendor is provided) then a sole source justification can be written and provided in lieu of the 3 quotes. Purchases in excess of \$25,000 require a formal Request for Proposal (RFP) or Request for Quotation (RFQ). Written specifications and a solicitation award process which recognizes competitive price, responsiveness to specifications, and reputation of vendors are required. Offers should generally be sought from as many possible vendors.

In order to protect PIs and other project staff from possible charges of conflict of interest, purchases should not be made from companies in which the PI or other project staff has an economic interest.

There are three mechanisms for purchasing on a Sponsored Project; purchase order, check request, or P-Card.

### **Purchase Order**

A purchase order is a legal document that obligates funds to pay for services rendered or merchandise delivered. A purchase order is a means of purchasing by which you provide the Office of Sponsored Programs a completed Purchase Order Form signed by all appropriate parties, along with a W-9 Form if the vendor is not already in the ASC's Vendor Database (contact Accounts Payable, extension 4112 to see if the vendor is already on file)

To obtain a Purchase Order number:

1. Complete the Purchase Order form, submit to Business and Financial Services attn.: Accounts Payable and Accounts Payable will send you a copy of the PO form with the PO# provided in the top right corner.

Once a purchase order is issued the funds will be encumbered on your project. Once you have received your PO#, you can purchase your items through the vendor. It is the PI's responsibility to then submit to Accounts Payable the invoice, packing slip or any other confirmation that all materials have been received. It is only through this confirmation receipt will Accounts Payable be able to pay the vendor. Payment of the invoice to the vendor means that the purchase number will no longer be encumbered and the expense will be recorded in the "actual expense column in the project report. Should any materials or goods have to be returned, notify Accounts Payable immediately so that the proper credit is issued for return.

### **Check Request**

A Check Request Form may be used for reimbursement to an individual for out-of-pocket expenses. This means the individual purchasing materials or goods using their personal money and may seek reimbursement from the grant for project related expenditures. The check request form will need to be completed, and the itemized original receipts for the materials and/or goods purchased should be attached. The form and receipts should be sent to Accounts Payable at CP-275 where it will be reviewed, approved and processed for payment and disbursement.

The check request needs to be signed by the PI or PI designee unless the PI is the individual who purchased the materials or goods out of pocket; at such time the PI's chair or dean is the authorizing signatory on the check request. If the expense is for more than \$2,500, a second authorizing signature is required.

ASC issues checks twice a week (Wednesday and Friday after 3:00 PM). As long as the Sponsored Programs Administrator and Accounting have reviewed and approved the expense and supporting documentation: distribution of checks will follow the below timeline:

- Check requests submitted and approved by Wednesday before noon will be ready Friday after 3:00 PM

- Check requests submitted and approved by Friday before noon will be ready the following Wednesday after 3:00 PM

Unless there is an urgent and compelling reason for an individual to pick-up checks, all checks will be mailed out to the vendor address on the check request form.

## **Purchasing Card (P-Card)**

Some Sponsored Projects are eligible for a Purchasing Card (P-Card). The Purchasing Card is a tool designed to complement ASC's purchasing and payables processes and is used to make small dollar purchases for goods required to conduct ASC official business. This card can also be used for conference registration, hotel (lodging), airfare, and rental car services. Airfare may be purchased through travel agencies, direct from airlines and the Internet. The card also allows users to obtain certain items faster and easier. Issuance of a Purchasing Card is a *privilege*, and every reasonable effort must be made to ensure that funds are used responsibly and in a manner consistent with ASC's and the University's mission, applicable laws and ethical practices. The card **CANNOT** be used for personal expenditures.

The Purchasing Card Policy details the use, restrictions, responsibility, reconciliation, and violations. Not all Sponsored Projects are able to be approved for P-Cards. To apply for a P-Card, the Purchasing Card Application needs to be completed and returned to Accounts Payable/P-Card Desk located in Titan Hall. The application will be reviewed by the Sponsored Programs Administrator and the CFO. If approved the PI and other responsible parties are required to attend an orientation. It is very important that the P-Card is used only for project related and approved expenditures. Violations or abuse of the P-Card will result in warnings, personal liability for non-project related expenditures, suspension, or card termination.

## **Independent Contractors & Consultants**

### **Determination between IC and Employee**

An independent contractor (IC) is an individual or organization, not affiliated with the University or ASC, providing primarily professional services or advice under a written agreement. Such a relationship is distinct from an employment relationship. An independent contractor is only subject to the control and direction of the University and/or ASC as to the result of the work and not as to the method or means. Independent Contractors set their own hours (though they may have deadlines), are not integrated into the ongoing business operations, offer their services to the general public, and pay for their own expenses. Independent Contractors should rely on their own tools, devices, expertise, computers or office resources to accomplish their work.

A consultant is a type of independent contractor. Specifically, a consultant is an individual or firm possessing expertise in a particular field and is engaged to give advice or perform a specific task in return for an established fee. A consultant generally holds a professional certification or license.

An employment relationship exists when the employer has the right to supervise and control the manner of performance as well as the results of the service by the employee. When such a relationship exists, the individual will be employed under the formal employment process. Employees of the California State University system or its Auxiliary cannot act as independent contractors when performing services for sponsored projects.

For IRS purposes the ASC uses a [Checklist](#) of 20 factors to determine if a worker is an independent contractor. Failure of any one of the factors could move the worker to employee status.



## **Selection of Contractor and Contracting**

The PI is responsible for selecting the IC and determining fees. The PI must be able to certify that all services have been performed and are essential to the specific project. The PI must also certify that these services provided by the IC cannot be provided by persons receiving salary or other compensation by the University or ASC. The PI must provide evidence that a selection process was employed resulting in the selection of the most qualified contractor. Finally, there cannot be a conflict of interest.

Once an IC has been selected the Independent Contractor Agreement is to be completed along with a W-9 Form. The agreement must be fully executed on or before work begins. This means all parties (the contractor, the PI, AND the CSUF ASC Executive Director/Designee) have signed the agreement before the actual start date on the agreement. It is advised that the agreement signed by the Contractor and PI along with the W-9 and any appropriate justifications be submitted to the Office of Sponsored Programs 2 weeks prior to the actual start date of the agreement so that the Sponsored Programs Administrator and the Executive Director/Designee have enough time to review and sign the agreement prior to the start of work. Also with regard to contracting, ASC will not sign any agreement that indicates payment is due up front (i.e., 25% of contract payment due upon signing the agreement). ASC will only pay for services satisfactorily completed, and this does not include services for signing or completing the agreement. Also, ASC's terms are net 30 and will not sign any contract that has terms less than net 30.

According to the ASC Purchasing Policy any purchases “of equipment, materials, supplies, and services” with an “aggregate value between \$5,000 and \$25,000” must be accompanied by three or more informal price quotes either in writing, email, or by telephone. Documentation should include date, vendor name, contact person, phone number and be attached to the IC agreement. For purchases with an aggregate value greater than \$25,000 a formal Request for Proposal (RFP) or Request for Quotation (RFQ) is to be solicited. Written specifications and a solicitation award process which recognizes competitive price, responsiveness to specifications and reputations of vendors are required.

The following groups must not, under any circumstances, be classified as independent contractors:

- Corporations – including a Limited Liability Company (LLC) of more than one person (using a business tax identification number), or a DBA;
- Third party agencies;
- Partnerships;
- Current or active members of CSUF or ASC faculty or staff;
- Current or active members of any other CSU faculty or staff;
- CSUF or ASC ex-employees whose separation date from their respective organization is one calendar year or less from a proposed IC assignment with the ASC;
- H1B Visa Holders.

## **Independent Contractor/Consultant Invoicing and Payment**

Once the agreement has been fully executed the contract is given a PO# to which the consultant invoices against. It is the IC's responsibility to invoice regularly; preferably no more than monthly no less than quarterly. The PI is responsible for assuring the IC's services are in line with and scope of work for the agreement. The PI will sign the invoice verifying

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they are satisfied with the services provided thus far and submit the signed invoice to ASC's Accounts Payable in Titan Hall. The Sponsored Programs Administrator will review and approve for payment at which time Accounting will process for payment. The IC must indicate "FINAL" on the final invoice. The contract will be closed and any remaining funds encumbered on the account will be disencumbered and if the terms and conditions allowed available for other project related costs. ASC will always hold normal business terms of Net 30. After all the approvals are obtained, and no issues arise, invoices will be paid within 10 days.

## Subrecipients

### Description

A subrecipient is a legal entity to which a subaward is made and which is accountable to the ASC for the use of the funds provided. Activities of a subrecipient have a significant impact on the total project with distinct deliverables for work that is unique to the project. The regulations and provisions of the prime sponsor are passed down to subrecipients and funds awarded to them are for the express purpose of project related expenditures as defined in their approved budget.

### Subcontracting

If a subcontractor was proposed in the budget to the sponsor, then a Sub-Award agreement will be drafted with the contracting agency. If a sub-recipient was not proposed in the budget to the sponsor, but the PI would like to subcontract part of the work to a separate agency or change a previously named subcontractor prior sponsor approval is required.

To initiate a sub-agreement during the proposal stage, the PI should complete the Subcontract Issuance Request Form and submit it to the Office of Grants and Contracts (OGC). OGC will walk through the entire sub-agreement process and work with the perspective subrecipient to ensure that the required forms, the scope of work, budget and assurances are completed and in line with sponsor instructions.

If an amendment is needed to revise part or all of the original sub-agreement after the award has been made, please work with your Sponsored Programs Administrator to complete the Subcontract Form. The Sponsored Programs Administrator will coordinate with OGC to send an amendment to the subrecipient.

In most cases, sub-agreements are set up yearly. In cases where a PI is given a multi-year award, the PI and OGC Administrator should work together to 1) determine the continued use of the subrecipient, 2) determine if any changes to the existing agreement are needed and 3) ensure timely submission of the subcontract form to OGC for submission and negotiations with the subrecipient.

Subawards issued to other CSU campuses and auxiliaries do not require a risk assessment prior to subaward issuance if funding agency is a non-federal entity

### Subrecipient Invoicing and Payment

Most sub-agreements will state invoicing should be completed no more than monthly and no less than quarterly. The Subrecipient is responsible for submitting invoices, and any required deliverable reports or progress reports to the Office of Sponsored Programs based on the terms and conditions of the sub-agreement. Depending on the risk assessment of the subrecipient, some subrecipients may be required to submit additional financial supporting documents with their invoices. The ASC will forward invoices to the PI for review and approval. It is the responsibility of the PI to review the invoice and deliverable/progress report to verify the Subrecipients progress is in compliance with the proposed scope of work. If the PI is satisfied with the invoice, he/she will sign and return to ASC. The Sponsored Programs Administrator will

review the financial portion of the invoice including any supporting documents applicable and either approve for payment or return to the PI or Subrecipient with concerns or issues.

ASC will always hold normal business terms of Net 30. After all approvals are obtained and no issues arise, invoices will be paid within 15 days.

## **Subrecipient Monitoring**

### **Monitoring of Ongoing Activities**

The Principal Investigator and OSP have the responsibility, throughout the life of the award, to monitor the activities of sub-recipients in accordance with the governing agreement, to assure that awarded funds are used for authorized purposes in compliance with the provisions of the agreement, and to ensure that performance goals are met.

#### **Ongoing Review**

All sub-recipient's monthly financial reports are reviewed prior to payment of funding requests or report of information to sponsor. Assigned Sponsored Programs Administrator will review the following:

- Certification by the PI that performance is on track with contracted service goals
- Accuracy and timeliness of reporting
- Excessive rate of expenditure of grant funds, total costs exceeding budget projections, program income not meeting budget
- Expenditure of grant funds at a lower rate than budgeted
- On-track contribution of committed cost share

#### **Desk Review**

As part of the necessary risk mitigation strategies, the sub-award may include the requirement to submit additional documentation in support of financial reports and/or invoices, such as

- Detail transaction report
- Copies of receipts
- Copies of effort reports/time cards
- Fringe benefit calculations and associated payroll records

The OSP Compliance Officer will review the back-up documentation and question any cost that is not substantiated or that do not appear to be reasonable, allowable or allocable to the project.

#### **Limited On-Site Monitoring**

As part of the necessary risk mitigation strategies, the sub-award may include the requirement for limited on-site monitoring. The Compliance Officer will meet with the fiscal officer and/or the preparer of financial reports and support staff of the sub-recipient to review:

- New requirements or recurring compliance issues or problems brought to Analyst's attention by Program Memos or fiscal training.
- Program-specific controls and compliance
- Staff awareness of program requirements, particularly Single Audit requirements and financial reporting requirements. (It may be necessary to provide technical assistance to new staff).
- Any compliance concerns revealed by ongoing reviews of financial reports/invoices. (Explanation of indicators may be requested and/or corrective action required.)
- Assessment of sub-recipient's plan of corrective action for items identified as material weaknesses in internal control or material instances of non-compliance in the Single Audit report.

#### **Full On-Site Monitoring**

As part of the necessary risk mitigation strategies, the sub-award may include the requirement for full on-site monitoring. The Compliance Officer will meet on-site with the fiscal officer and/or preparer of financial reports and support staff of the sub-recipient to determine if

- The performance of contracted service goals is documented and on-track.
- Reports submitted include all activity for the reporting period and are supported by underlying performance records.
- Ledgers for cash disbursement match reported expenditures.
- Actual expenditures are in accordance with the budget and any required prior approvals obtained.
- Funds were used only during the authorized period of availability.
- Matching requirements are met using only allowable funds and properly calculated and valued.
- Program income is correctly earned, recorded and used in accordance with the terms and conditions of the sub-award.
- Underlying supporting documentation for any employee labor is adequate and in compliance with Uniform Guidance.
- Supporting documentation for unusual or large expenditures is clear and reasonable.
- Supporting documentation for cost transfers is clear and reasonable.
- Procedures are in place to track and secure property and equipment
- Allocation of indirect costs is allowable and allocable to the project.
- If corrective actions have been taken on findings in the last Single Audit report.

### **Compliance with OMB Uniform Guidance Audit Requirements**

The Compliance Officer reviews the OMB Single Audit report for those sub-awardees subject to the Circular.

### **Closeout of Sub-recipient Awards**

The assigned Sponsored Programs Administrator is responsible for the Sub-recipient award closeout.

Sub-recipient award closeout requirements include:

- Receipt of final invoice;
- Verify receipt of release/ patent/invention documentation, equipment reports, etc.)
- Final verification that contracted goals have been met; all required deliverables have been submitted (e.g., technical/progress reports, etc.) as indicated by the PI's signature and date on the final invoice;
- Completion of any necessary final review of costs charged by the sub-recipient and final closeout of all commitments, accrued costs, or payables.

The requirements of the prime award will be considered during the closeout process. In general, a sub-award is closed when it has expired and/or when final technical deliverables are received, and financial matters are concluded.

### **Sub-recipient Record Retention**

Sub-recipient documentation will be retained with the information of the prime award for the same period of time and in a manner consistent with the Office of Sponsored Programs Record Retention Policy.

The requirements listed in this policy are not exhaustive of all compliance requirements. In addition to the elements noted above, there may be an additional sponsor- or program-related requirements that mandate collecting and documenting other assurances (e.g., on lab animals, human subjects, biohazards, etc.) during the course of the project.

**In the event that resources for monitoring are limited, all other factors of risk being equal, attention will be devoted to sub-recipients with the largest federal awards.**

### **Hospitality and Meeting Expenses**

The Hospitality Policy provides definitions, guidelines, and method for purchasing meals and items related to hospitality and meeting expenses.

Hospitality expenses are normally not allowable on sponsored projects unless the proposal narrative addresses these activities as an integral part of the program or approval is obtained by the sponsor. However, in certain instances, food purchases for a meeting may be allowed as part of the approved project budget for a sponsored project. An example would be a professional meeting or workshop that runs for several hours, and technical information is disseminated. In this case, a meal may be offered to the Official Guests in order to maintain continuity of the meeting. The following applies to all sponsored projects:

1. Expenditures for food, light refreshments, incentives or promotional materials must be specifically identified in the sponsor approved budget.
2. Expenditures must be allocable to the specific project and allowable in accordance with Uniform Guidance.
3. Expenditures may not be used to pay for food and beverages for business meetings attended only by employees of the same immediate work location unless specifically identified in the sponsor approved budget.

Expenditures must conform to the specific requirements of the sponsoring agency.

The following is required to determine if such meeting expenses are allowable:

1. Agenda of the meeting including start and end time
2. List of participants including work location of each participant (i.e., Jane Smith, CSU Long Beach)
3. Statement regarding the purpose, reasonableness, and necessity for meeting pertaining to the sponsored project and a schedule showing a working meal (if applicable)

Expenses allowed on approved meetings, conferences, symposiums, etc.:

1. Meetings with a timeframe of 4 hours or less – no expenses allowed
2. Meetings with a timeframe of 5-6 hours – light refreshments such as beverages, hors-d'oeuvres, pastries, cookies, etc.) are allowable

Meetings with a timeframe of 6 hours or more – meals either catered or provided at a restaurant are allowable

## Meals

It is important to identify the number of participants for such events prior to the meeting/conference/symposium etc. The purpose for properly identifying the number of participants is to not purchase more items or meals than necessary. If the event is scheduled to have more than 10 participants than participants should be required to RSVP (2-3) weeks prior to the event so that the official number of participants or close to it can be recorded and appropriate items/meals can be purchased with that official number.

It is understandable that if individuals that have not RSVP'd attend that meals/items be provided for these individuals within reason. This is why it is important to work closely with your Sponsored Programs Administrator to determine how to account for individuals who have not RSVP'd but may still be expected. It is also important to work closely with the vendor (i.e., catering company) because the vendor may only bill for the actual number of meals provided OR they might bill based on the estimated quote which may be higher than the actual number of meals provided.

## Room Rental

If the meeting is not held on campus, i.e., renting a conference room in a hotel, an agreement will usually be required by the hotel/property. This agreement will *always* need to be between the property and Auxiliary Services Corporation (ASC), and the signer will *always* need to be our Executive Director if payment for the room rental or related costs will be coming from a Sponsored Project. If a conference or meeting is taking place where a room rental is needed the agreement

from the property/hotel needs to be provided to ASC no less than 30 days prior to the event so that the Sponsored Programs Administrator has adequate time to review and submit to the Executive Director for review and signatures.

## Methods to Purchase Meals or other Hospitality Expenses

For approved catered events, all vendors must be either already on the approved vendor list OR approved separately by providing your Sponsored Programs Administrator a copy of the vendors business license and certificate of insurance prior to setting up any arrangements for catering.

There are (3) methods for purchasing meals or other hospitality items that are allowable on sponsored projects.

1. Out of pocket expenses – If expenditures are made out of pocket than the individual needs to:
  - a. complete a Check Request Form
  - b. obtain signatures from appropriate signers
  - c. attach to the completed and signed check request form
    - i. original itemized receipts or invoices
    - ii. Agenda of the meeting, conference, symposium, etc., including start and end time
    - iii. List of participants via sign-in sheet or registration list including work location of each participant (i.e., Jane Smith, CSU Long Beach)
    - iv. Statement regarding the purpose, reasonableness, and necessity for meeting pertaining to the sponsored project
2. Purchase Order Form
  - a. The PO form can be used if the vendor allows ASC to provide them a PO# before the event and bills ASC after the event is complete
  - b. Obtain a quote from the vendor
  - c. Complete the Purchase Order Form
  - d. Submit PO Form, quote, appropriate documentation for event/meeting to Sponsored Programs Administrator for approval
    - i. Such appropriate documentation for event/meeting includes the flyer, tentative agenda, etc. stating when, where, and the purpose of such event/meeting
  - e. If the sponsored programs administrator approves the PO, the requestor will be given the PO# to provide to the vendor.
  - f. After the event/meeting, the vendor will send final invoice stating PO# to CP-275 to process payment
  - g.
3. P-Card – this method should only be used after speaking with your Sponsored Programs Administrator to determine allowability
  - a. Upon reconciling P-Card statement attach original itemized receipts, agenda, list of participants, and a statement regarding purpose, reasonableness, and the necessity for meeting pertaining to the sponsored project

## Travel

### Description

For allowable travel expenses, ASC follows the State of California Travel Policy as Specified on the [CSUF Travel Operations website](#). Employees undertaking business-related travel are required to submit a Travel Authorization 30 days before travel to CP-275. All required approval signatures must be obtained to receive payment and/or travel advance. Individuals with delegated approval authority may not approve their own travel authorization/advance; furthermore, individuals may not approve travel authorization/advance of their supervisor. Reimbursable costs include transportation, lodging, subsistence, conference registration, and other related expenses. Travel costs are allowable when they are directly attributable to specific work under a sponsored agreement and have been included in the budget.

For more information on sponsored programs travel, please read the [OSP Travel Policy](#).

### **Travel Authorization and Travel Advances – Prior Approval**

The [CSUF Travel Authorization Form](#) (for all state-side personnel and students) or Section I of the ASC Travel Form (for all ASC employees), which serves as prior authorization for travel, needs to be completed, signed by all appropriate parties, and submitted to the Office of Sponsored Programs 30 days prior to travel. Authorizations to travel must be submitted to the Office of Sponsored Programs before any purchases for the travel (airfare, lodging, registration, etc.) are made on the P-Card or personal card.

For state-side personnel or students seeking an advance, the signed CSUF Travel Authorization Form must accompany the Check Request form indicating project number, object code, and dollar amount requested for advance. For all ASC employees seeking an advance, just indicate the requested dollar amount in the advance section of the ASC Travel Form.

If an advance is being requested, quotes for such expenses should be attached to the form. No advance will be issued to anyone who has an outstanding travel advance from a previous trip.

### **Foreign Travel**

Requests for foreign travel and travel insurance should be submitted 90 days prior to departure date. Foreign travel is only allowed on Sponsored Projects if proposed to and approved by the Sponsor prior to award date. If foreign travel was not approved and PI or any project staff is seeking foreign travel prior sponsor approval in writing is required to be sent to the Sponsored Programs administrator. Foreign travel *must* be made on an American carrier unless a foreign carrier is approved by the sponsor.

### **Travel Expense Claim Form – Seeking Reimbursement**

Travel reimbursement requests must be completed on the ASC Travel Form. Reimbursement requests and clearing of travel advances need to be completed within 30 days upon return of travel. The expense claim form must be signed by all appropriate parties (i.e., PI signs for project staff, chair or dean sign for PI).

The travel expense claim form needs to be accompanied by the following when submitting to CP-275 for reimbursement:

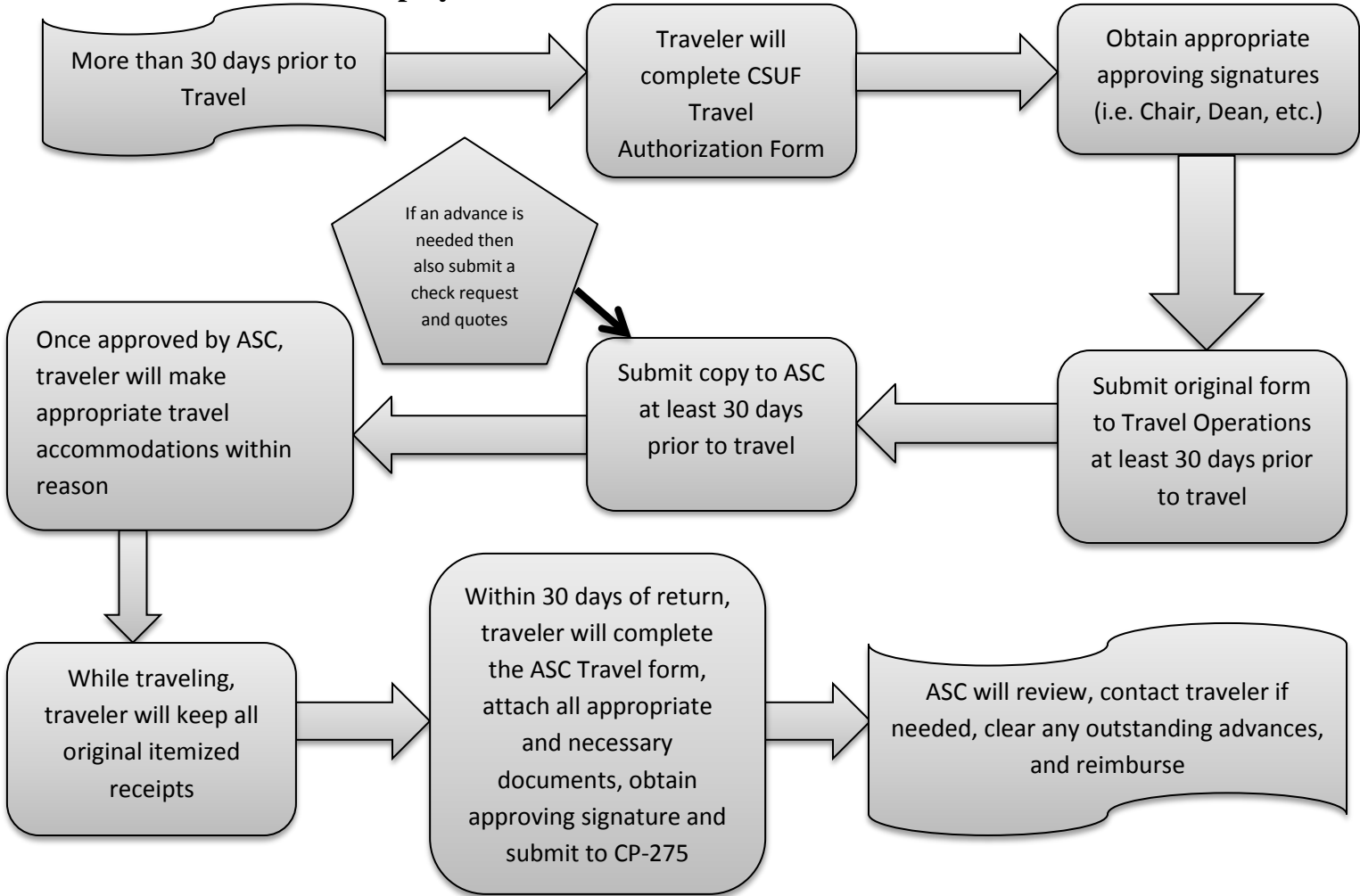
1. Copy of Travel Authorization Form (for all state-side personnel and students)
2. Original itemized receipts for meals over \$25 (there is a maximum of \$55 per day for meals)
3. Airfare itinerary
4. Itemized receipt for lodging
5. Receipt for conference registration
6. Agenda for Conference
7. Receipts for other business related expenditures
8. Receipts for all taxis or other means of transportation
9. Printout of MapQuest, Yahoo, or Google Maps if mileage is claimed

If for any reason an original receipt is lost or missing, the Lost Missing Receipts Verification Form should be completed in place of the receipt. Please keep in mind this form should not be used in place of multiple receipts and should not become common practice. It should only be used on the rare occasion of lost or missing receipts.

If a traveler decides to take personal days while on approved travel, these days must be noted on the Travel Authorization Form (which should be completed 30 days prior to travel and a copy submitted to the Office of Sponsored Programs),

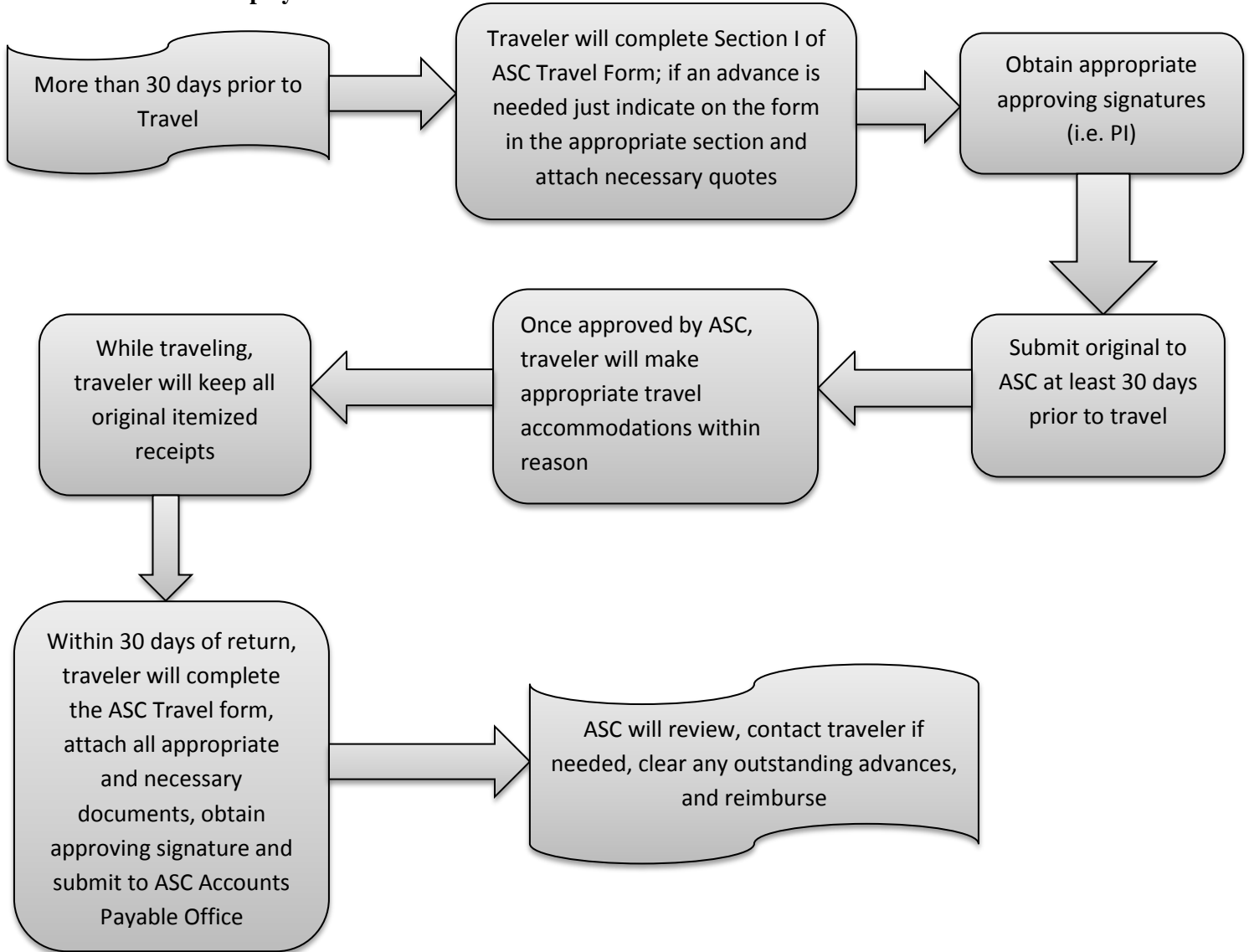
also, the traveler should contact their Sponsored Programs Administrator immediately to discuss other procedures and policies while travelling if personal days plan to be taken.

**Flowchart for State-Side Employee or Student Travel**





### Flowchart for ASC Employee Travel



### Mileage

Before any ASC employee can claim mileage on a Sponsored Project they need to complete the Drivers Application Form and submit the form, proof of insurance and a copy of current Driver's license to CP-275. The driver's application should be completed by Human Resources during the new hire orientation meeting. ASC will review the items and may pull the driving record of an employee for further review.

When submitting an approved mileage reimbursement request (state-side employees or ASC employees) on a Sponsored Project there are (2) ways to submit:

1. Complete the ASC Travel Form and attach a MapQuest, Yahoo, or Google Maps printout of directions for every location
  - a. On the ASC Travel Form, it will need to state each date claimed on a separate line along with the purpose of the travel, # of miles from the printout of MapQuest, Yahoo or Google maps, and the total amount will auto-populate

2. Complete check request stating total mileage claimed
  - a. Attached to the check request needs to be a Mileage Log stating each individual date being claimed for mileage, the purpose of travel, and a printout of MapQuest, Yahoo or Google maps for each location
  - b. The mileage log is generally used when there are several entries (i.e., more than 9)

If the employee travels regularly, please submit mileage no more frequently than monthly and no less than quarterly.

Since ASC follows the CSUF State policy for Employee Travel, the following are applicable when calculating mileage:

1. On a scheduled workday, traveler departs and/or returns to their residence, mileage is calculated from the lesser of the two locations (traveler's headquarters or traveler's residence)
2. On a scheduled workday, traveler departs from their headquarters and/or returns to their headquarters, mileage is calculated from the traveler's headquarters to destination or from destination to traveler's headquarters
3. On a scheduled day off, mileage is calculated from the traveler's residence

## **Example Scenarios of Travel and Common Travel Questions and Issues**

Example Scenarios:

1. A Faculty member (state employee) is going to attend an out of state conference on March 30th and is going to be purchasing airfare and registration on the P-Card
  - a. The faculty member needs to complete CSUF Travel Authorization (TA). The form and all approving signatures need to be turned into CSUF Travel Operations no later than February 28th with a copy sent to the Office of Sponsored Programs.
  - b. If the Sponsored Programs Administrator has any questions regarding the travel (i.e., allowability or necessity of travel), the administrator will contact the faculty.
  - c. Upon approval of TA, the faculty member can purchase airfare and registration. Airfare should be within reason (i.e., no upgrades).
  - d. While at the conference, the faculty member will keep track of all the necessary itemized original receipts
  - e. Within 30 days of return from travel, the faculty member will complete the ASC Travel Form, attach all itemized original receipts and other pertinent information as mentioned above, obtain approving signatures and submit to CP-275.
2. An ASC employee is going to attend a conference and is seeking an advance for registration and airfare
  - a. ASC employee will complete Section I of the ASC Travel form, and where it discusses advance, a dollar amount should be indicated. This form will need to be signed and submitted at least 30 days prior to travel. The advance request should also be accompanied by any necessary quotes; a printout from the airline indicating price, and a printout from conference website indicating registration.
  - b. Accounts payable will cut a check at which point the employee will cash and purchase airfare and registration.
  - c. The employee will keep all itemized original receipts.
  - d. Within 30 days of return from travel, the employee will complete the full ASC Travel Expense claim form, attach all itemized original receipts and other pertinent information as mentioned above, obtain approving signatures and submit to CP-275.
3. The faculty member is going to attend a conference and is also requesting an advance.
  - a. The faculty member needs to complete CSUF Travel Authorization (TA). The form and all approving signatures need to be turned into Travel Operations no later than February 28<sup>th</sup>. A copy of the form along with Section I of the ASC Travel Form, as well as any necessary quotes to accompany the advance, needs to be sent to the Office of Sponsored Programs by February 28<sup>th</sup>.

- b. Accounts payable will cut a check at which point the employee will cash and purchase airfare and registration
- c. The employee will keep all itemized original receipts
- d. Within 30 days of return from travel, the employee will complete the full ASC Travel Form, attach all itemized original receipts and other pertinent information as mentioned above, obtain approving signatures and submit to CP-275.

Common questions and issues regarding travel:

1. Can I buy my own meals and get reimbursed for those meals even if the conference provides them?
  - a. If the registration covers meals, then no, you will not be reimbursed for those meals.
2. If the conference ends on Thursday at noon can I fly home the next day?
  - a. Speak with your Sponsored Programs Administrator, but generally no. With the conference ending at noon, this gives enough time for you to fly home Thursday.
  - b. If you choose to stay until Friday, the hotel for Thursday night generally will not be covered. If there is a difference in airfare (meaning it would have been cheaper to fly home Thursday), then ASC will only reimburse you for airfare for what it would have cost for you to fly home Thursday
3. My credit card provides me points for flying with United so can't I just book with United?
  - a. If United is the cheapest carrier then yes; however if there are cheaper domestic carriers then what is allowable is the most economical.
4. How many items can I check in for baggage claim?
  - a. Only 1. There may be special circumstances but generally only 1.
5. My conference ends Thursday at noon, my flight isn't until 8PM, and there is an earlier flight home at 3PM. Can I change my flight and still get reimbursed?
  - a. You will not be reimbursed any fees (i.e., change fees). And if the flight is now more expensive because of the change, you will only be reimbursed for what your flight would have cost if you left at 8PM.
6. I would like to take 2 personal days after the conference is over to go sightseeing. How do I go about dealing with this while making travel arrangements and what will I get reimbursed? Let's use the example of the conference being in New York, Monday through Thursday
  - a. The traveler would indicate on TA or ASC Travel form that personal days are going to be taken. The traveler would need to price out airfare for what it would cost if the traveler comes home on Thursday (if there were no personal days) and if the traveler comes home Saturday (with personal days included) and provide all documentation to ASC.
  - b. Generally, the airfare will be cheaper coming home on Thursday so ASC would only reimburse the cheaper.
  - c. The traveler would not be reimbursed for any meals for Friday or Saturday, nor would the traveler be reimbursed for lodging for Thursday or Saturday.
7. Traveler for whatever reason didn't turn in authorization within 30 days and submitted authorization 10 days prior to traveling.
  - a. If a traveler is unable to seek authorization to travel 30 days prior to travel and therefore doesn't purchase airfare or lodging 30 days prior to travel, the traveler will only be reimbursed within reason.
  - b. For example, if the conference is in New York on March 30<sup>th</sup> and the traveler isn't booking travel until March 20<sup>th</sup> and the airfare is \$800, the traveler will only be reimbursed for approximately \$500 since the norm to fly across the country is approximately \$450-\$600. Also, if the

- conference is at a hotel where there were blocked rooms at a rate of \$140, but because the traveler is booking so late, all of the blocked rooms are taken, and now the rate is \$200, the traveler will only be reimbursed the \$140.
8. I am going to be attending a one-day meeting down in San Diego and will be coming home the same day, so my only expense is mileage. Would I need to complete a TA or Section I of the ASC Travel form?
    - a. No. As long as the mileage and meeting are within the scope of work of the sponsored project no prior authorization is required. In order to be reimbursed a Google, MapQuest, or Yahoo maps along with the ASC Travel Form is required within 30 days.
  9. I am going to be attending a one-day meeting down in San Diego and will be coming home the same day, but I am taking the train. Would I need to complete a TA or Section I of the ASC Travel Form?
    - a. No. As long as the meeting is within the scope of work of the sponsored project no prior authorization is required. Upon return you would just need to complete the ASC Travel Form and attach your train ticket to get reimbursed.
  10. I am going to be attending a meeting in San Francisco and would prefer to drive rather than fly. Will I be reimbursed mileage?
    - a. With all cases, depending on the mileage rate, number of miles and cost for airfare, the lesser will be reimbursed. So if it is cheaper to reimburse to airfare to San Francisco rather than reimburse for mileage to San Francisco then ASC will reimburse for what airfare would have cost if you would have flown.
  11. What if I am a state-side employee who is going to be having my college pay for part of the trip?
    - a. On the CSUF Travel Authorization form, there is a section regarding who is to be charged. You would indicate the stateside account to be charged and the amount you will be charging to the stated side, and then indicate the project number under “CSUF ASC Funds” and the amount you will be charging to the sponsored project. Then once you return your entire expense claim form is submitted to CSUF Travel Operations where they will review, then will send ASC a copy to review and once approved Travel Operations will charge the full amount indicated to the state funds and whatever is remaining they will bill ASC.
    - b. For example, you estimate your travel to cost \$2000 and your department has committed to cover \$1200. During authorization, you would indicate your department code and then \$1200 and then your project number and \$800. Upon return, your entire cost was only \$1900 the department would be charged the full \$1200 and ASC would pay the remaining \$700.

## **Equipment**

### **Policy**

The ASC Fixed Asset Policy identifies, records, controls and manages all existing ASC assets and future assets to be acquired. Assets acquired by Sponsored Programs must ultimately be administered according to the appropriate funding agency’s guidelines. This policy outlines the periodic inspection and verification process and elaborates on the procedure used to update the status of an asset as soon as it changes. Equipment purchased on a grant is defined by the ASC as “Any items which are usable for activities of the University as well as the ASC, such as research equipment, office equipment and furnishings, air conditioning, reproduction or printing equipment, motor vehicles, or any automatic data processing equipment which has an acquisition cost of \$5,000 or more and has an expected life of one year or more.” Equipment purchases must follow the Bidding Process outlined in the Purchasing Policy.

With regard to equipment tagging, items costing greater than \$500 will be tagged for tracking purposes. Also, items costing less than \$500 but deemed high-theft will be tagged for tracking purposes. It is up to the discretion of the Sponsored Programs Administrator and Accounting to determine what is considered “high-theft.”

All tagged items will be transferred to the University on a quarterly basis.

### **Disposition after Award Closeout**

Equipment acquired through a grant/contract may not be sold, traded-in, scrapped, transferred to another grant or contract, or otherwise disposed of without the written approval of ASC. All equipment acquired through a grant/contract remains the property of the University until the grant/contract has ended. In some instances the sponsor may specify that any equipment purchased with sponsor funds remains the property of the sponsor and once the contract/grant is complete the equipment needs to be transferred to the sponsor in those cases property acquired through the grant/contract through the life of the agreement and thereafter remains the property of the sponsor.

## **Stipends, Scholarships, Honorariums & Research Incentive Payments**

### **Stipends**

A stipend is usually a regular, fixed payment. The stipend recipient is usually a degree candidate. However, there are circumstances in which the recipient is not a degree candidate, or may not be a student at all, such as compensation paid to high school teachers for attendance at a training seminar on campus.

Stipends may be awarded for enrollment in and/or attending classes. Stipends may be in exchange for services provided to support a program, grant or project. Stipends may also be awarded to an individual to support his/her training and education. Stipends for non-CSUF students are paid in the same manner as student stipends. There is a difference in how the payment is reported to the individual at tax time.

### **Stipend Payment**

In order to pay a stipend, the PI will need to complete the [Stipend Form](#), the W-9 Form (only for individuals who are not CSUF Students), and the [Check Request Form](#). If the “Yes” box is checked off for CSUF Student, the Office of Sponsored Programs will verify that the individual is a currently enrolled student. If they are not a currently enrolled student, a W-9 Form will need to be provided for processing payment.

### **Tuition for Students**

Some Sponsored Projects have proposed to pay certain student’s tuition for one or more semesters. This is considered a participant support cost.

### **Tuition Payment**

In order to process payment for a student’s tuition, the PI can either choose to pay the university directly or have the student pay first and then have the student seek reimbursement.

1. Pay University Directly
  - a. In order to pay the university directly, the PI would need to complete the Check request form to pay CSUF Cashiers Office and attach to it each student’s proof of enrollment/registration for the current semester along with a printout of the total fees for each student.

- b. ASC will pay the Cashiers Office directly and they will disburse the money to pay each student's tuition
2. Student Requests for Reimbursement for Tuition
    - a. The student would need to provide the PI with proof of payment for tuition and a printout of their class schedule for the current semester. The PI will attach those documents to a completed Check request form made out to the Student.
    - b. ASC will disburse the check directly to the student for reimbursement for that semester.

## **Honorariums**

An honorarium is usually in recognition of professional services or contribution, where custom, propriety, or agreement precludes the payment of a standard business rate of compensation. An honorarium for a non-CSUF employee always involves services. A completed W-9 Form should be completed so that the ASC may document the honorarium recipient's taxpayer number.

### **Honorarium Payment**

In order to pay an honorarium, the PI will need to complete the Stipend Form, the W-9 Form (only for individuals who are not CSUF Students), and the Check Request Form.

## **Research Incentive**

An incentive is a financial or otherwise reward to encourage participation in a human subject research study. PI's are allowed to provide such incentive payments to individuals participating in research if specified in the approved budget. CSUF Institutional Review Board (IRB) is required to approve, in advance, the method and amount of compensation to any human research participant. Investigators may not deviate from the amount, type or timing of the payment without first obtaining a modification to their approved human subject's protocol. An individual payment should be less than \$50 unless prior approval from sponsor and IRB has been obtained.

If the amount paid to an individual participant during a calendar year is \$600 or more, CSUF ASC is required to report such payments to the Internal Revenue Service. In such cases, the anonymity of participants cannot be maintained. Project Principal Investigator (PI) is required to track annual human subject/incentive payments and notify CSUF ASC when the individual has received \$600 or more in a calendar year. In such cases, the recipient is required to submit W-9 form and to sign a privacy waiver form.

### **Cash Payments for Research Incentives**

Cash used to pay participants must be physically protected from loss at all times and reconciled periodically.

All fund transactions must be recorded in a "Cash Log" that includes:

- Date of the transaction
- Signature of participant acknowledging receipt of payment
- Subject ID code (alpha/numeric code assigned by researchers to protect the identity of participants)
- IRB protocol number
- Amount of payment
- Name of the person making the payment

The name of the participant cannot be disclosed unless the participant signed a privacy waiver (see above).

- 1) Cash Advances are issued to an Investigator upon receiving a completed Check Request (CK) form indicating on the form “IRB APPROVED CONFIDENTIAL DATA.”
- 2) Each cash advance must be cleared upon completion of the research or by the date specified on the cash advance, whichever comes first. When warranted, due dates may be extended by the Director of OSP.
- 3) To clear a cash advance, an Investigator must turn in the “cash log” and a copy of the cash Advance Check to the Office of Sponsored Programs CP-275.

#### **Gift Card Payments for Research Incentives**

Principal Investigators may purchase gift cards for distribution to human subject research participants. It is extremely important for PIs to avoid purchasing of an excessive number of gift cards as the costs of undistributed gift cards/certificates will not be reimbursed. All gift cards must be locked up and secured to prevent theft.

All gift card transactions must be recorded in a “Gift Card Log” that includes:

- Date of the transaction
- Signature of participant acknowledging receipt of the gift card
- Subject ID code (alpha/numeric code assigned by researchers to protect the identity of participants)
- IRB protocol number
- Gift Card dollar value
- The person making the payment

The name of the participant cannot be disclosed unless the participant signed a privacy waiver (see above).

- 1) Purchase Order or Cash Advance (see I.1) may be provided for the purchase of gift cards
- 2) In order to clear the advance or seek reimbursement, copies of the back of the gift card (indicating gift card number) must accompany the Gift Card log and the original purchase receipt.

#### **Check Payments for Research Incentives**

Upon request from the PI, ASC may issue a check to a participant who submitted W-9 form and a signed privacy waiver form (see above).

- 1) PI completes a Check Request (CK)
- 2) Participant completes and signs a privacy waiver form and W-9 Form.
- 3) PI submits CK and the privacy waiver form signed by the participant to OSP

Any payments given to participants in medical research studies are subject to HIPPA laws. This law requires all information pertaining to those individuals remain confidential. It will be the responsibility of the Principal Investigator to ensure that these records are adequately secured.

## Resources and Reference Material

[OMB Uniform Guidance](#)

[CSUF Titan Research Gateway](#)

[Administration of Grants and Contracts - Executive Order E0890](#)

[National Science Foundation General Conditions](#)

[National Institute of Health Grants Policy Statement](#)

[U.S. Department of Education EDGAR](#)

[Non-Governmental Entities Exempt from Disclosure Requirements](#)

[Fair Political Practices Commission \(FPPC\)](#)

[ICSUAM Sponsored Programs Policies](#)

## Last Revisions

- |  |            |
|--|------------|
| • Handbook Update- All Sections  | 11/30/2018 |
| • Revision to Travel Section in Handbook                                     | 08/11/2018 |
| • Revision to Purchasing Section in Handbook                                 | 04/11/2014 |
| • Revision to Effort Reporting Policy, Procedure, Form & Section in Handbook | 04/11/2018 |
| • Revision to Subrecipient Monitoring Policy, Procedure Section in Handbook  | 04/11/2017 |
| • Revision to Cost Sharing Policy and Section in Handbook                    | 04/11/2016 |
| • Revision to Equipment Section in Handbook & Equipment Policy               | 04/11/2014 |