

**CSU**



**ICSUAM**

**Section 11000**

**Sponsored Programs  
Administration**

## 11000.00 | CSU Sponsored Programs ICSUAM Policy Announcement – Uniform Guidance Addendum

**Effective Date:** 12/26/2014 | **Revised Date:** 7/12/2017

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

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

Awards Subject to 2 CFR 200:

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

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

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

Exceptions:

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

### Policy Updates and Notifications

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

#### Procurement Standards

All campuses will continue to follow the Procurement Standards required under OMB Circular A-110 (Subpart C, Sections 40-48) on federally funded awards from December 26, 2014 through June 30, 2017. If a CSU campus or auxiliary organization chooses to implement the new Procurement Standards applicable to federal awards under 2 CFR 200 prior to July 1, 2018, they will update their policies and procedures accordingly. A

new sponsored programs systemwide policy will be drafted to address the micro-purchase threshold and any other changes related to federally funded procurement activities. The draft will be sent out to review and will be posted to ICSUAM prior to the implementation date of July 1, 2018.

**Effort Reporting**

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

**Office of the Executive Vice Chancellor  
Business and Finance**

Approved: May 19, 2016

## **Resources and Reference Materials**

**Useful Guidelines**

**Related Principles**

**Sound Business Practices**

**Laws, State Codes, Regulations and Mandates**

- Federal Government's Uniform Guidance, Code of Federal Regulations, Title 2, Section 200 ([2 CFR 200](#)), including the Uniform Guidance Audit Section ([Subpart F](#)) and the Procurement Standards Sections ([Subpart D .318-.326](#))
- OMB Circular A-110 ([Subpart C, Sections 40-48](#)) – [https://www.whitehouse.gov/omb/circulars\\_a110#40](https://www.whitehouse.gov/omb/circulars_a110#40)
- [ICSUAM Policy Section 11000 Sponsored Programs Administration](#)

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# 11001.00 | Sponsored Programs Administration Introduction

**Effective Date:** 12/1/2011

## **POLICY OBJECTIVE**

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

## **POLICY STATEMENT**

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

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

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

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

## **REVISION HISTORY**

- February 7, 2014 (Annual Review conducted with no change to policy.)

## **RESOURCES AND REFERENCE MATERIALS**

### **Related Principles:**

- The policies in ICSUAM Section for Sponsored Programs (Section 11000) have been organized in accordance with the structure established in the Council on Government Relations' (COGR) "Managing Externally Funded Research Programs: A Guide to Effective Management Practices," dated June 2005.

### **Sound Business Practices:**

- Links to specific campus policies and procedures are included as references in some circumstances, if such policies and procedures have been collectively deemed to be representative of appropriate practices.

### **Law, State Codes, Regulations and Mandates:**

- Links and references to federal regulations, state regulations, relevant CSU executive orders and other internal policies contained within the ICSUAM are provided where applicable. As sections of Executive Order 890 are introduced as a policy in ICSUAM Section 11000, that section of EO 890 will be noted in the specific ICSUAM policy.
- ICSUAM Section 9000 Capital Construction and Facilities Management

## **COGNIZANT OFFICE(S)**

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RAC, CCRO, FOA, CABO

# CSU Policy –

**Section Title: Sponsored Programs Administration**

**Policy Number: 11002.01**

**Policy Title: General Policy Requirements for the Administration of Grants & Contracts in Support of Externally Funded Research and Sponsored Program Activities**

**Policy Effective Date: 7/1/2016**

**Last Revision Date: 6/24/2016**

## Policy Objective

It is the policy of the California State University (CSU) that each campus shall have policies and procedures in place to effectively administer externally funded programs awarded to the University and its Auxiliary organizations in compliance with applicable federal, state and CSU regulations and policies.

## Policy Statement

### Article 1. Definitions

- 1.1. **"Auxiliary"** means an organization which is (a) included in the list of auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, *infra*, and/or (b) which is an organization specified in Education Code Section 89900, which is any organization using the name of the State or a campus, or representing an official relationship with a campus, or in which any campus official participates as a director as part of his official position. ([5 CCR 42400, Definition](#)).
- 1.2. **"Contract"** means an agreement between the University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a *quid pro quo* relationship between the parties.
- 1.3. **"Grant"** means a financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually request an accounting of the use of funds and of result of the project or activity. The University or Auxiliary may commit resources or services as a condition of the Grant.
- 1.4. **"Principal Investigator"** means the individual (whether referred to in the Contract or Grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsored Program Administrator to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the Sponsored Program.
- 1.5. **"Recipient"** means the University or Auxiliary awarded a Contract or Grant. The Recipient is the University or Auxiliary, as the case may be, even if a particular component is designated in the award document, and shall not be an individual, department or other constituent unit.
- 1.6. **"Sponsor"** means the party paying for the services or other economic benefit under a Contract or providing the financial contribution for a project or activity under a Grant.
- 1.7. **"Sponsored Program(s)"** means all work performed under Grants or Contracts funded by non-CSU funding sources (including non-CSU-funded Contracts and Grants that are subsequently

subcontracted to another campus).

- 1.8. **"Sponsored Program(s) Administrator"** means the entity (University or Auxiliary) designated by the Recipient to administer the Sponsored Program.
- 1.9. **"Sponsored Program Records"** include, but are not limited to, accepted proposals and applications; Contracts or Grant agreements; program reports and data; correspondence; budgets and supporting financial documentation; supporting human resources documentation; and other records relating to receipt, review, award, evaluation, status and monitoring of the Sponsored Program.
- 1.10. **"Sponsored Program Work Product"** means any work created in the performance of a Sponsored Program. Unless the Contract or Grant states otherwise, Sponsored Program Work product does not include journal articles, lectures, images, books or other works that are subject to copyright protection and have been created through independent academic effort and based on the findings of the Sponsored Program.
- 1.11. **"University"** means one of the campuses of the California State University or the Office of the Chancellor.

## **Article 2. General**

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

### **2.1. President's Responsibility**

The president of each campus is responsible for the educational effectiveness, academic excellence, and general welfare of the campus over which s/he presides. The president shall require that the University and the Auxiliary operate in conformity with applicable law and the policies of the CSU and the campus when proposing and administering Sponsored Programs. Sound management and administration of Sponsored Programs requires coordination among organizationally separate units and individuals on the campus, and therefore the campus president should identify for each area of policy the campus official responsible for implementing that area of the policy.

### **2.2. Written Policy**

Each campus shall establish a written policy on the management of Sponsored Programs that incorporates the components outlined in this executive order and that is consistent with policies relating to risk management, environmental health and safety, conflicts of interest, research misconduct and other applicable CSU and campus policies. In the event that a given Contract or Grant contains terms and conditions that are not in conflict with but are more restrictive than those provided in the campus policy, the more restrictive terms and conditions of the Contract or Grant shall prevail.

## **Article 3. Sponsored Program Administration**

### **3.1 Proposal Submission, Review, and Approval**

- 3.1.1. Pre-Award Review and Approval of Proposal Submission.** Proposals for Sponsored Programs shall not be submitted to the Sponsor without prior written approval of the president of the University or the president's University designee and of the chief financial officer of the University or the chief financial officer's University designee.
- 3.1.2. Pre-Acceptance Approvals.** Awards of Contracts or Grants shall not be accepted without prior written approval by appropriate officials of the University and Auxiliary responsible for the following areas, if applicable: (a) Academic/programmatic; (b) fiscal, (c) health and safety; (d) human and animal subject research; (e) space; (f) major technical resources and equipment; and (g) risk management.
- 3.1.3. Notice.** The campus policy shall provide for notice to all personnel responsible for the preparation of proposals and applications for Sponsored Programs that, if awarded, the Recipient of the Contract or Grant shall be the University or Auxiliary and not an individual, department, or other constituent unit.
- 3.1.4. Amendment of Contract or Grant.** The campus policy shall specify the approvals necessary to amend a Contract or Grant.

### **3.2 Performance of Grants and Contracts**

- 3.2.1 Administration of Sponsored Programs.** Prior to acceptance, the Recipient shall designate either the University or an Auxiliary to administer the Contract or Grant. This entity shall be the Sponsored Program Administrator. The Sponsored Program Administrator is legally responsible and accountable to the Sponsor for the use of the funds provided and the performance of the Sponsored Program.
- 3.2.2 Addendum to the Operating Agreement between University and Auxiliary for Administration of Sponsored Programs.** The University and the Auxiliary shall execute an addendum to the Operating Agreement includes the function "Externally Funded Projects Including Research, Workshops, Conferences, and Institutes" from [5 CCR 42500](#). The Auxiliary shall agree to comply with all federal, state, CSU and auxiliary policies governing the administration of externally funded sponsored programs.
- 3.2.3 Implementation Plan.** The Sponsored Program Administrator shall prepare an implementation plan for each Contract or Grant that shall include, but not be limited to, the following, if not already specified in the Contract or Grant or master agreement:
- a. Identification of the Principal Investigator and staffing needs for the Sponsored Program;
  - b. Identification of the funds and resources available, the projected budget, and other fiscal administrative requirements; and
  - c. Identification of the person or entity responsible for security, ownership, custody and retention of the Sponsored Program Work Product and Records after completion of the Sponsored Program.

### **3.3 Principal Investigator(s)**

Each campus shall include in its policy the minimum qualifications and normal responsibilities of Principal Investigator(s) for Sponsored Programs beyond those imposed by the Sponsor. The qualifications of a Principal Investigator shall include, but not be limited to, employment by the University or Auxiliary. Campus policy may establish criteria for limited exceptions for the appointment of Principal Investigators who are not employees of the University or Auxiliary, but

who are officially affiliated with the University, such as individuals with emeritus status or visiting professors or researchers. The campus policy shall include provisions for reassigning the responsibilities of the Principal Investigator(s) in case of the incumbent Principal Investigator's resignation, incapacitation, or failure or refusal to perform the duties adequately. The campus policy shall also address the distribution of responsibilities among Principal Investigators for multi-institutional Sponsored Programs.

### **3.4 Conduct of Research**

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

### **3.5 Fiscal Administration**

Each campus shall establish necessary controls to ensure sound fiscal management of Sponsored Programs, regardless of whether the University or Auxiliary is responsible for Sponsored Program Administration. It is the responsibility of the Principal Investigator and the Sponsored Program Administrator to adhere to the fiscal terms and conditions of the Contract or Grant and to comply with University and Auxiliary policies and procedures.

**3.5.1 Budget.** The Sponsored Program Administrator shall be responsible for final certification of project budgets and budget change review procedures. The Principal Investigator for a Contract or Grant shall be responsible for executing the project in conformance with the approved budget. Disbursements shall not be processed on any account unless both parties have executed a Contract or unless all approvals have been obtained and the Grant has been accepted. In cases when the Sponsor allows the institution to incur pre-award costs, and the Sponsored Program Administrator has a policy in place to allow pre-award spending, then disbursements may be made prior to receipt of the award document, in accordance with the Sponsor and Sponsored Program Administrator guidelines.

**3.5.2 Account Management.** The Sponsored Program Administrator is responsible for the timely establishment of accounts in accordance with the terms and conditions of the Contract or Grant. Procedures shall be in place to define and document approval authority; maintain proper accounting and control of all cash receipts from Contract or Grant billings; review and approve all expenditures for compliance with the Contract or Grant; and ensure completion of accurate and timely reporting for each Contract or Grant. The Principal Investigator is responsible for ensuring that all expenditures are made in compliance with the approved budget, the Contract or Grant and the Sponsored Program Administrator's policies. The Sponsored Program Administrator's chief financial officer or appropriate designee must authorize payments involving personal expenditures by the Principal Investigator. The Sponsored Program Administrator must certify that funding is available prior to issuance of any personnel action forms.

**3.5.3 Fiscal Reporting.** The Sponsored Program Administrator shall ensure that all fiscal reports (including final reports) and billings are prepared and submitted, on a timely basis, to Sponsors in accordance with the terms and conditions of the Contract or Grant.

**3.5.4 Cost Recovery.** All appropriate indirect and direct costs shall be recovered for Sponsored Programs in accordance with CSU policy, University and Auxiliary policies and/or other funding agency requirements.

**3.5.5 Cost Sharing.** In some cases, the University may share or match costs associated with a

Sponsored Program instead of recovering indirect and direct costs. When there is cost sharing or matching in connection with a Sponsored Program, the Sponsored Program Administrator, in conjunction with the Principal Investigator, must document actual costs shared or matching contributions in a manner consistent with the campus cost allocation plans, Sponsor requirements, and in the case of federal Contracts or Grants requirements as stated in OMB Circular A-110.

### **3.6 Sponsored Program Work Product and Records**

**3.6.2 Work Product and Records Policy.** Each campus shall develop a policy regarding the security, ownership and retention of Sponsored Program Work Products and Sponsored Program Records. This policy must be compatible with University and CSU policy pertaining to intellectual property. Any Contract or Grant that provides for ownership or license of Work Product or Sponsored Program Records to any person or entity other than the University, shall provide the University with a free-of-cost, nonexclusive license to use the Sponsored Program Work Product and the right to access and use Sponsored Program Records for purposes consistent with the educational mission of the University.

**3.6.3 Records Retention.** Retention of Sponsored Program Records refers to the storage, preservation or disposal of records once the Sponsored Program is complete. Each campus's policy for Sponsored Program record retention shall comply with applicable law and University and Auxiliary policy, and shall establish a schedule that specifies a) the period of time to retain Sponsored Program records after the Sponsored Program has been completed; b) disposal of records no longer needed; c) the preservation of records of historical value; and (d) procedures for complying with the Sponsor's record retention requirements.

**Office of the Executive Vice-Chancellor/Chief Financial Officer**

**Date:** June 24, 2016

# Policy Operational Content

## CO Policy Manager

Sue DeRosa

## Applicability and Areas of Responsibility

## Revision History

## Resources and Reference Materials

### Useful Guidelines

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

### Related Principles

- [COGR Effective Management Practices](#)
  - <http://www.cogr.edu/>

### Sound Business Practices

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### Laws, State Codes, Regulations and Mandates

- Federal regulations related to federally funded grants and agreements – Uniform Guidance [2 CFR 200](#).
- When applicable, for regulations under Federal contracts, refer to – [Federal Acquisition Register](#) (FAR) and [Defense Federal Acquisition Regulation Supplement](#) (DFARS).
- State Contracts – use [California Model Agreement \(AB20\) process and forms](#)

# 11002.05 | Subrecipient Monitoring

**Effective Date:** 12/1/2011

## POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus shall have financial controls and procedures in place that ensure compliance with sponsor requirements for subrecipient monitoring.

## POLICY STATEMENT

This policy provides guidance to the CSU to ensure financial and programmatic responsibility for contractual subrecipient relationships in accordance with sponsor requirements.

The campus President or designee must ensure that procedures established for subrecipient risk assessment and monitoring are in compliance with the federal OMB Circular A-133, applicable standards of other sponsors, CSU regulations, and campus policies. Campus procedures should provide consideration for documentation of compliance with minimum requirements of OMB Circular A-133 as it relates to subrecipient monitoring, giving consideration to high risk subrecipients as necessary.

This policy does not apply to consultant agreements or procurement of goods or services from vendors.

## REVISION HISTORY

- February 28, 2014 (Annual Review conducted with no change to policy.)

## RESOURCES AND REFERENCE MATERIALS

### Useful Guidelines:

#### Definitions:

- **Sub-award:** An award (sub-grant or sub-contract) of financial support from a prime awardee to a qualified organization for the performance of a substantive portion of the programmatic effort funded under the prime award. This term also includes awards made by a sub-recipient to a lower tier sub-recipient.
- **Sub-recipient:** The legal entity to which a sub-award is made and which is accountable for the use of the funds provided in carrying out a portion of the prime awardee's programmatic effort under a sponsored project. A sub-recipient has responsibility for programmatic and/or administrative decision making and adherence to the applicable sponsor program compliance requirements. The term may include institutions of higher education, non-profit organizations, for-profit corporations, and foreign or international organizations at the discretion of the Federal awarding agency.
- **Vendor:** A vendor is responsible for providing goods or services necessary to conduct the research or other programmatic effort and is not responsible for the results of the effort. Vendors provide similar goods or services to many different purchasers. A vendor is only required to meet the terms of the procurement instrument and is not subject to compliance requirements of the Federal program.

### Related Principles:

- COGR Management Practices Document – <http://www.cogr.edu>
- Refer to Laws, State Codes, Regulations and Mandates and other guidelines as provided by sponsors.

### Sound Business Practices:

- CSUC - <http://www.csuchico.edu/resp/forms/poltravel/policies/index.shtml>
- CSUMB - <http://grants.csUMB.edu/policies>
- CSUN - <http://www.csun.edu/sponsoredprograms/subrecipientmonitoring.htm>
- CSUSF - <http://www.sfsu.edu/~orspwww/policies/docs/SubRecipientMonitoringPolicy.pdf>

### Law, State Codes, Regulations and Mandates:

- 2 CFR Part 215, Section C (formerly OMB Circular A-110)  
[http://www.whitehouse.gov/omb/circulars\\_a110/](http://www.whitehouse.gov/omb/circulars_a110/)

- OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations and Compliance Supplements  
[http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133\\_revised\\_2007.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf)
- 31 USC 7502(f)(2)(B) Single Audit Act Amendments of 1996 (Pub. L. 104-156)  
[http://www.whitehouse.gov/omb/financial/fin\\_single\\_audit.html](http://www.whitehouse.gov/omb/financial/fin_single_audit.html)

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RAC, CCRO, FOA, CABO

# 11003.05 | Allowable Costs

**Effective Date:** 12/1/2011

## POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus have financial controls and procedures in place that ensure costs charged to sponsored projects are reasonable, allowable, properly allocable, and treated consistently.

## POLICY STATEMENT

This policy provides guidance to the CSU for the appropriate charging of costs to sponsored projects and does not apply to non-sponsored agreements/projects and specialized service facilities.

The campus President or designee must ensure that processes for charging costs to sponsored projects are in compliance with federal cost principles, applicable standards of other sponsors, CSU regulations, and campus policies.

Each campus will maintain procedures for ensuring that the costs charged to sponsored awards are reasonable, allowable, properly allocable, and treated consistently. Procedures should also ensure that cost transfers are made only with adequate justification and in a reasonable period of time, with the reasons for the transfers explained and documented in accordance with the following.

There are four guiding principles or criteria used to determine whether a cost may be charged to a sponsored project: **reasonableness, allocability, allowability, and consistency**. These criteria apply for both direct and Facilities and Administrative (F&A) costs (including cost match), as described below. For a given cost to be charged to a sponsored project, all four of these criteria must be met and documented.

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

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

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

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

In accordance with federal regulations (2 CFR Part 220, Section F6b(2) and Exhibit C) and requirements of other entities, there may be certain circumstances when costs that are normally treated as F&A can be direct charged to a sponsored project.

## REVISION HISTORY

- February 28, 2014 (Annual Review conducted with no change to policy.)

## RESOURCES AND REFERENCE MATERIALS

**Useful Guidelines:**

Definitions:

- **Direct Cost:** A cost that can be identified specifically with a particular sponsored project, instruction or any other institutional activity or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- **Facilities and Administrative (F&A) Costs:** A cost that is incurred for common or joint objectives and cannot be readily or specifically identified with a particular sponsored project, instruction or any other institutional activity.

- **Specialized Service Facilities:** A specialized service facility (SSF), as defined by 2 CFR Part 220, Section J47 is an operating unit that provides highly complex or specialized services to internal or external users.
- **Sponsored Projects:** A grant, contract, or other agreement between the institution and a sponsor.

**Related Principles:**

- This policy provides more specific direction toward implementation of section 3.5.2 of Executive Order 890, dated January 7, 2004 <http://calstate.edu/eo/EO-890.pdf>
- COGR Management Practices <http://www.cogr.edu/>
- Refer to Laws, State Codes, Regulations and Mandates and other guidelines as provided by sponsors.

**Sound Business Practices:**

- CSULB- <http://www.foundation.csulb.edu/departments/grants/pdm.htm>
- CSUMB- <http://csumb.org/policies-home>
- SDSU- [http://www.foundation.sdsu.edu/pag/project\\_admin\\_expenditure.html](http://www.foundation.sdsu.edu/pag/project_admin_expenditure.html)
- SFSU- [http://www.sfsu.edu/~orspwww/\\_policies/\\_docs/ChargingDirectandIndirectCostsPolicy.pdf](http://www.sfsu.edu/~orspwww/_policies/_docs/ChargingDirectandIndirectCostsPolicy.pdf)

**Law, State Codes, Regulations and Mandates:**

- 2 CFR Part 215, Section C (formerly OMB Circular A-110) [http://www.whitehouse.gov/omb/circulars\\_a110/](http://www.whitehouse.gov/omb/circulars_a110/)
- 2 CFR Part 220, Section J (formerly OMB Circular A-21) [http://www.whitehouse.gov/omb/circulars\\_a021\\_2004/](http://www.whitehouse.gov/omb/circulars_a021_2004/)

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# 11003.06 | Effort Reporting

**Effective Date:** 12/1/2011 | **Revised Date:** 12/1/2011

## POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus shall develop and maintain policies and procedures for reporting all compensated effort of sponsored project related employees to ensure compliance with applicable regulations and agreements.

## POLICY STATEMENT

Each campus conducting research, instruction, and/or other sponsored work under grants, and other agreements funded by the Federal government are required to comply with 2 CFR 220 (formerly known as OMB Circular A-21) Section J.10, which describes the costing principles, criteria, and examples of how employee compensation for personal services rendered under sponsored agreements should be charged and subsequently documented.

At a minimum, the campus President or designee must ensure that:

- The campus has an effort reporting policy that defines roles and responsibilities of various offices and individuals at the campus. Upon establishing the policy, a number of offices might have the day-to-day responsibility for managing or contributing to the effort reporting process. Responsibility may rest with a number of the following offices including research and sponsored programs administration, academic affairs, the chief financial officer, the chief research officer, human resources, payroll, accounting, budget office, procurement, and extended learning.
- Regardless of where responsibilities lie, an effective effort reporting system requires coordination between two or more of the offices listed above. Effort reporting requires active engagement among a variety of campus offices such as sponsored programs administration staff, sponsored project personnel, and staff from the applicable academic and/or administrative office.
- Sponsored project personnel compensated on a federally sponsored award (direct cost or cost share) will certify a report that indicates that the distribution of their total effort is a reasonable estimate of work performed during the period covered by the report. The individual faculty or staff member may certify his/her own effort in accordance with procedures developed on the campus, or "responsible official(s) using suitable means of verification that the work was performed" may certify for the individual.
- Each campus will develop and maintain its own effort certification procedures for non-federal awards as appropriate.
- Each campus shall ensure that effort reporting is treated consistently for the same purposes and like circumstances.
- Effort certifications are completed each academic term, but not less frequently than twice annually.

## Elements of Effort Reporting

**Effort** - Allowable activity devoted to a sponsored or non-sponsored project that would be charged or committed directly to a contract or grant. Effort shall be reflected as categories of activities expressed as a percentage distribution of total activities rather than the dollar amount compensated.

**Compensated Effort** - Effort consisting of campus assignment, reimbursed time, additional employment, direct pay, and cost share for faculty and staff who work on sponsored projects.

**Voluntary Uncommitted Cost Sharing:** Voluntary uncommitted cost sharing is excluded from effort reporting.

## COGNIZANT OFFICE(S)

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**Affinity Group:**

RAC, CCRO, FOA, CABO, HR

## 11003.07 | Cost Sharing

**Effective Date:** 12/1/2011

### **POLICY OBJECTIVE**

It is the policy of the California State University (CSU) that each campus shall establish and maintain procedures to properly monitor and document any committed cost sharing in compliance with applicable regulations and agreements. In general, cost sharing shall be offered in a proposal only when it is a requirement of the request for proposal or the program announcement.

### **POLICY STATEMENT**

Each campus conducting research, instruction, and/or other sponsored work under grants, and other agreements with the Federal government must comply with the specific guidelines required by the external sponsor of a project and the general guidelines established in 2 CFR Part 220 and Part 215 (formerly OMB Circulars A-21 and A-110) with regard to cost sharing and related matters, as applicable. Cost sharing refers to the portion of the sponsored project not borne by the external sponsor. At times cost sharing is also referred to as "match." For the purposes of this policy, "cost sharing" and "match" shall have the same meaning.

The campus President or designee must ensure that:

- The campus has written policies and procedures for cost sharing that are consistently applied in proposing, accumulating, and reporting costs both to external sponsors and within the campus. Policies shall include any exception criteria, including delegation of authority, for offering voluntary cost-sharing not required as part of the request for proposal or program announcement.
- All cost shared expenditures are treated similarly to direct grant expenditures, in accordance with the policy on Allowable Costs (11003.05).
- The campus policy must define roles and responsibilities of various offices and individuals at the campus. Project directors/principal investigators are responsible for providing sufficient documentation to substantiate the actual cost sharing contribution to the appropriate office for reporting.
- When cost sharing is a requirement of sub-awards, such commitment is included in sub-award documents, monitored and appropriately reported to the sponsor.

Regardless of the source, all cost-shared expenditures must be allowable in compliance with 2 CFR Part 215 and as more specifically stated in Part 220. Cost share must be:

- verifiable from university or auxiliary records.
- necessary and reasonable to accomplish the project's objectives.
- identifiable in the approved budget when required by the prime sponsor.
- provided during the project period.

Cost share may not be:

- utilized as cost sharing on any other project.
- federal funds except where authorized by federal statute.
- earned income under the project except when expressly authorized by the prime sponsor.

### **REVISION HISTORY**

- February 28, 2014 (Annual Review conducted with no change to policy.)

### **RESOURCES AND REFERENCE MATERIALS**

#### **Useful Guidelines:**

- Factors to consider prior to offering cost-share:
  - If resources are committed to a project unnecessarily, then they are not available for instances when cost sharing is required.

- Cost sharing – including faculty and staff effort, and non-labor cost sharing dedicated to organized sponsored projects – must be appropriately classified for the calculation of an institution's Facilities and Administrative (F&A) cost rate. Cost sharing can have the effect of eroding the campus F&A cost rate.
- All cost-sharing, even voluntary, must be tracked and accounted for in campus records. Failure to appropriately account for cost-shared expenditures increases audit risk.
- Documenting and managing cost sharing activities is time consuming and expensive.
- Faculty members who have multiple awards could become over committed, resulting in an inability to substantiate the promised levels of effort.
- Clarification of OMB A -21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs, <http://www.whitehouse.gov/omb/memoranda/m01-06.html>

### Definitions

- **Cost sharing/Matching:** Represents that portion of project or program costs not borne by the sponsor (generally the federal government). Cost sharing can be voluntary or mandatory (that is, required by means of a statute or law), and can take the form of either cash contributions or in-kind contributions.
- **Cash Contributions:** Represents the recipient's cash outlay, including the money contributed to the recipient by non-Federal third parties.
- **In-kind Contributions:** Represents the value of all noncash contributions, including services and property, provided by the recipient and/or non-Federal third parties.
- **Mandatory cost sharing:** Required by the sponsor or funding agency supporting the sponsored project. Some sponsors require that the recipient of an award provide some level of cost sharing or matching costs as a condition of receiving the award.
- **Voluntary cost sharing:** That portion of the project costs that the campus provides on its own initiative when the sponsor does not require cost share or the amount of cost share provided is more than the sponsor's mandatory requirement.
- **Voluntary committed cost sharing:** Quantified and included in the proposal budget and award. It must be reported and documented.
- **Voluntary uncommitted cost sharing:** Effort that is over and above that which is committed and budgeted for in a sponsored agreement.
- **Third party cost sharing:** That provided by an entity or individual other than the prime sponsor, the University or the Foundation. The third party must agree to use the resources provided as cost sharing. Such cost sharing can only be used on one project.
- **Direct costs:** Costs that can be attributed to a specific sponsored project. Such costs can be contributed and accounted for as cost sharing.
- **Facilities & Administrative costs:** Costs that cannot be attributed directly to a particular sponsored project but, rather, are more associated with general costs that may be pooled into costs generally supporting sponsored projects. Such cost may be contributed and accounted for as cost sharing when the direct costs associated with the project are those of the recipient of the prime award. Third party indirect is generally not acceptable as cost sharing.

### **Related Principles:**

- This policy provides more specific direction toward implementation of section 3.5.5 of Executive Order 890, dated January 7, 2004 – <http://calstate.edu/eo/EO-890.pdf>
- COGR Management Practices Document – <http://www.cogr.edu>

### **Sound Business Practices:**

- CSU Chico - <http://www.csuchico.edu/resp/formspoltravel/policies/index.shtml>
- Fresno State - <http://www.auxiliary.com/Foundation/documents/PIHandbookSectionIV.pdf>
- CSU Long Beach Foundation - <http://www.foundation.csulb.edu/departments/grants/pdm.htm>
- CSU Monterey Bay - <http://grants.csUMB.edu/policies>
- SDSU Research Foundation - [http://www.foundation.sdsu.edu/pdf/sra\\_costsharing.pdf](http://www.foundation.sdsu.edu/pdf/sra_costsharing.pdf)
- SF State - <http://www.sfsu.edu/~orspwww/policies/docs/CostSharingPolicy.pdf>

**Law, State Codes, Regulations and Mandates:**

1. Code of Federal Regulations 2 CFR PART 220 (formerly known as OMB Circular A -21), Section J.10.
  - [http://www.whitehouse.gov/omb/circulars\\_a021\\_2004](http://www.whitehouse.gov/omb/circulars_a021_2004) (A -21, HTML)
  - [http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105\\_a21.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a21.pdf) (2 CFR 220)
2. CFR 215 (formerly known as OMB A-110), Subpart C , Section 23 - Cost Sharing or matching.
  - [http://www.whitehouse.gov/omb/circulars\\_a110/](http://www.whitehouse.gov/omb/circulars_a110/) (A -110, HTML)
  - <http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a110/2cfr215-0.pdf> (2 CFR 215)

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**Affinity Group:**

RAC, CCRO, FOA, CABO, HR

# 11005.00 | Externally Funded Equipment & Property Management

Effective Date: 6/16/2015 | Revised Date: 6/16/2015

## POLICY OBJECTIVE

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

## POLICY STATEMENT

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

This policy shall be fully implemented by campuses by October 1, 2015.

## 100 FEDERALLY FUNDED (GRANTS)

### 101 Equipment

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

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

### 102 Supplies

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

## 200 FUNDING OTHER THAN FEDERAL GRANTS

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

## 300 TRANSFER OF EXTERNALLY FUNDED EQUIPMENT FROM AN AUXILIARY ORGANIZATION TO THE UNIVERSITY

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

**Office of the Executive Vice-Chancellor  
Business and Finance**

Approved: June 16, 2015

## Revision History

- December 1, 2011

## Resources and Reference Materials

### Useful Guidelines

### Related Principles

[COGR Effective Management Practices](http://www.cogr.edu/) <http://www.cogr.edu/>

### Sound Business Practices

### Laws, State Codes, Regulations and Mandates

- [ICSUAM Policy 3150.01 Administration of University Property](#), including [CSU Administration of University Property – Equipment Procedures](#) (.pdf)
- Equipment funded by a state contract may contain language that requires the equipment title to vest with the sponsoring agency upon project completion, in accordance with the [State Contracting Manual \(SCM\)](#) Chapter 7.29.
- When applicable, for regulations under Federal contracts, refer to – [Federal Acquisition Register](#) (FAR) and [Defense Federal Acquisition Regulation Supplement](#) (DFARS).
- Federal regulations related to property/equipment management – [2 CFR 200](#): Property Standards, Sections 310 - 316

**Federal Regulation Requirements (2 CFR 200.313-314)** – Apply to capitalized equipment (with a purchase price greater than \$5,000) for its useful life or supplies with an aggregate total residual value greater than \$5,000 at the end of the federally funded project. Unless a statute specifically authorized the Federal agency to vest title with the campus without further obligation to the Federal government – and the Federal agency elected to do so – the title must be a conditional title. Therefore, title vests in the campus subject to the following conditions:

#### **Use (Equipment):**

Federally funded equipment must be used by the campus with the following order of priority:

1. The program or project for which it was acquired as long as needed, whether or not the project or program continues to be funded by a federal award;
2. Activities under a federal award from the federal agency that funded the original project;
3. Activities under a federal award from other federal agencies, including consolidated equipment for information technology systems.

Note: When acquiring replacement property, the campus should use the property to be replaced as a trade-in or sell the property and use the proceeds to offset the replacement property cost.

#### **Use (Supplies):**

1. Title to supplies vests in the University/Auxiliary upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in

the same manner as for equipment. (See §200.313 Equipment, paragraph (e)(2) for the calculation methodology.)

2. As long as the Federal Government retains an interest in the supplies, the non-Federal entity must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

**Management:**

Equipment records shall be maintained accurately and shall include the following:

- A description of the equipment.
- Manufacturer's serial number or other identifying number.
- Source of the equipment, including the award number.<sup>1</sup>
- Whether title vests in the recipient or the Federal Government.
- Acquisition date and cost.
- Percentage of Federal participation in the cost of the equipment.
- Location, use and condition of the property.
- Ultimate disposition data, including date of disposal and sales price of the property.

**Disposition:**

When equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency (as indicated above under "Use"), the campus must request disposition instructions from the federal awarding agency if required by the terms and conditions of the federal award. If the campus is authorized or required to sell the property by the federal agency, proper sales procedures must be followed to ensure the highest possible return. Refer to 2 CFR 200.313(e)(2).

Items of Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. Refer to 2 CFR 200.313(e)(1).

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<sup>1</sup> If using CFS Asset Management, the applicable Asset Subtype code should be used to identify the equipment as federally funded (*i.e.* "NONIN-FEDFUND" for Federally Funded/University Owned equipment or "NONIN\_FED-CM" for equipment purchased as cost match for a federal award; for Federal Owned equipment, use "NONIN-FED-OWN"). This includes any equipment transferred or donated to the university from the auxiliary that was originally funded by a federal grant. A physical inventory is required every 2 years on equipment tagged as federally funded for the useful life of the equipment. The PeopleSoft Fund chartfield associated with the purchase of the equipment is also associated with the award information (including sponsor award number) contained in the Sponsored Programs module.

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**Affinity Group:**

RAC, AOA, FOA

# 11008.00 | Audit Monitoring & Resolution

**Effective Date:** 12/1/2011

## POLICY OBJECTIVE

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

## POLICY STATEMENT

The campus President or designee must ensure that the campus:

- Has a procedure for ongoing review of its finances, compliance with its administrative directives, and conformance with governmental laws and regulations.
- Complies with government auditing requirements with respect to its federal programs or other sponsor requirements.
- Develops and implements corrective action plans in response to audit findings or recommendations.
- Alerts the Chancellor's Office Sponsored Programs Director of potential findings that challenge the adequacy of a systemwide policy or indicates a risk or concern that may have systemic implications.
- Submits to the Chancellor's Office findings or recommendations meeting the following criteria:
  - Challenges the adequacy of a systemwide policy.
  - Indicates a risk or concern that may have systemic implications.
- Submits the A - 133 Single Audit Report to the Chancellor's Office on an annual basis and evidence of implementation of corrective action plans, if applicable.

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

- Monitor findings and recommendations submitted for review by campuses
  - Annual A - 133/Single Audit: Review the implementation status of corrective action plans developed by campus management.
  - Systemwide Policy Issues: In consultation with campus sponsored programs administration office directors, coordinate the development and revision of sponsored programs policies and the development of tools and training materials to improve internal controls of systemwide sponsored programs.

## REVISION HISTORY

- February 28, 2014 (Annual Review conducted with no change to policy.)

## RESOURCES AND REFERENCE MATERIALS

### Useful Guidelines:

- N/A

### Related Principles:

- Council on Governmental Relations (COGR) - Management Practices Document - Principles: <http://www.cogr.edu/> (some documents may require log-in)
- Committee of Sponsoring Organizations, Internal Control Framework (COSO) - [www.coso.org](http://www.coso.org)
- National Association of College and University Business Officers (NACUBO) - [www.nacubo.org](http://www.nacubo.org)
- National Science Foundation (NSF) - [www.nsf.gov](http://www.nsf.gov)
- US Department of Health and Human Services (DHHS) - [www.dhhs.gov](http://www.dhhs.gov)
- National Institutes of Health (NIH) - [www.nih.gov](http://www.nih.gov)
- AOA – RAC Subcommittee – [www.csuaoa.org](http://www.csuaoa.org) (log-in required)

**Law, State Codes, Regulations and Mandates:**

- Federal guidelines related to Audits of States, Local Governments, and Non-Profit Organizations, OMB Circular A-133 - [http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133\\_revised\\_2007.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf)
- SAS 112 New Requirements from Control Deficiencies - [http://www.nacubo.org/Business\\_Officer\\_Magazine/Magazine\\_Archives/April\\_2007/SAS\\_112\\_New\\_Requirements\\_for\\_Control\\_Deficiencies.html](http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/April_2007/SAS_112_New_Requirements_for_Control_Deficiencies.html)
- GC 13402 - <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=13001-14000&file=13400-13407>

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## 11010.02 | Financial Conflict of Interest (FCOI)

**Effective Date:** 5/15/2015 | **Revised Date:** 5/15/2015

### POLICY OBJECTIVE

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

### POLICY STATEMENT

It is the responsibility of the campus president or designee to ensure compliance with federal, state and CSU regulations regarding the disclosure, filing and resolution of financial conflicts of interest related to sponsored research.

Each campus will, at a minimum:

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

**Office of the Executive Vice-Chancellor  
Business and Finance**

**Approved: May 15, 2015**

### Applicability and Areas of Responsibility

This is a joint Human Resources and Sponsored Programs policy governing Investigator Conflict of Interest. Refer to [HR-2015-05](#) and [ICSUAM Policy 11001.00](#) for applicability within sponsored programs administration.

**CO Manager**  
Sue DeRosa

**Affinity Group**  
CABO, CCRO, FOA, RAC

### Revision History

- 12/1/2011

## Resources and Reference Materials

### Useful Guidelines

#### Definitions

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

#### Investigators:

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

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

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

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

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

#### Principal Investigator Training

**PIs employed by the University:** In accordance with FPPC requirements and consistent with CSU policy Principal Investigators must complete the CSU Ethics and Conflict of Interest Training within 6 months of receiving the grant. Subsequent training is required at least once each consecutive period of two calendar years that the grant is in place. While the CSU is working on a unique FCOI training module for PIs, it is important for campuses to facilitate the coordination efforts of their sponsored programs office and campus filing officer, in order to manage compliance with the applicable regulations, including 700-U filings and CSU Ethics & Conflict of Interest Training. To gain access to the CSU Ethics & Conflict of Interest Training, the sponsored programs office must provide the PI's, name, email address and role (PI) to the campus filing officer or designee – who will forward a request to the Chancellor's Office training coordinator. The PI will receive an email notification when they have been granted access to the training module. Campuses should also define whether the campus

filing officer or the sponsored programs office retains ownership of the various completed COI forms, in accordance with applicable regulations.

**PIs employed by an auxiliary organization:** For Principal Investigators employed by an Auxiliary organization, the auxiliary PI FCOI policy should be followed. As the CSU Ethics & Conflict of Interest Training is not available to auxiliary PIs, compliance with any applicable training requirement may include use of the CITI (Collaborative Institutional Training Initiative) RCR/FCOI training module or other campus-based training module.

## Management of Disclosed Conflicts of Interest

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

## Related Principles

- COGR (Council on Government Relations) – Managing Externally Funded Research Programs: A Guide to Effective Management Practices – <http://www.cogr.edu>

## Sound Business Practices

## Summary of Disclosure Requirements

## Laws, State Codes, Regulations and Mandates

Research Sponsor	Applicable Regulations and Links
Public Health Service Agencies and others adopting the PHS Policy*	<a href="#">42 CFR Part 50</a> , Subpart F, "Responsibility of Applicants for Promoting Objectivity in Research for which PHS Funding is Sought." COGR (Council on Government Relations) – Managing Externally Funded Research Programs: A Guide to Effective Management Practices – <a href="http://www.cogr.edu">http://www.cogr.edu</a>
National Science Foundation	<a href="#">NSF Award and Administration Guide</a> – NSF April 2009; Chapter IV - Grantee Standards <a href="http://www.nsf.gov/pubs/policydocs/pappguide/nsf13001/aag_4.jsp">http://www.nsf.gov/pubs/policydocs/pappguide/nsf13001/aag_4.jsp</a>
Non-Governmental agencies (CSU Policy and Fair Political Practices Commission {FPPC} – Guidelines)	<p><a href="#">Regulations of the Fair Political Practices Commission</a> (FPPC), Title 2, Division 6, California Code of Regulations; §18755. Statements of Economic Interests: Person or Persons at an Institution of Higher Education with Principal Responsibility for a Research Project. <a href="http://www.fppc.ca.gov/legal/regs/current/18755.pdf">http://www.fppc.ca.gov/legal/regs/current/18755.pdf</a></p> <p><a href="#">Exempt Organization List</a>: <a href="http://www.ucop.edu/research/policies/exempt.html">http://www.ucop.edu/research/policies/exempt.html</a></p> <p>California State University, Office of the Chancellor</p> <ul style="list-style-type: none"> <li>• <a href="#">HR – Conflict of Interest Policies</a> <a href="http://www.calstate.edu/HrAdm/Policies/coi.shtml">http://www.calstate.edu/HrAdm/Policies/coi.shtml</a></li> <li>• <a href="#">CSU Ethics Training</a> <a href="https://centralstationu.skillport.com/skillportfe/main.action#whatshappening">https://centralstationu.skillport.com/skillportfe/main.action#whatshappening</a></li> </ul>
CSU Policy	This policy provides more specific direction toward implementation of section 3.5.5 of Executive Order 890, dated January 7, 2004 – <a href="http://calstate.edu/eo/EO-890.pdf">http://calstate.edu/eo/EO-890.pdf</a>

\* For entities designated by DHHS as a component of the U.S. Public Health Service (PHS) and non-PHS entities who have adopted PHS FCOI regulations visit the Federal Demonstration Partnership (FDP) website: [http://nrc59.nas.edu/pub/fcoi\\_agencies\\_phs\\_reqs.html](http://nrc59.nas.edu/pub/fcoi_agencies_phs_reqs.html)

## California Entities who have adopted PHS FCOI guidelines:

- California Institute for Regenerative Medicine (CIRM)
- University of California, Office of the President (UCOP) Special Programs:
  - University AIDS Program
  - California Breast Cancer Program
  - Tobacco-Related Disease Research Program

## Federally Funded Grants and Contracts

**National Science Foundation (NSF):** NSF Financial Conflict of Interest disclosure requirements are applicable to any person who is responsible for the design, conduct, or reporting of work performed on the project. This includes Investigators (as defined above).

1. NSF requires each grantee institution employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest in accordance with the NSF Conflict of Interest policy ([http://www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=manual15](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=manual15)).
2. An institutional conflict of interest policy should require that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator's spouse and dependent children):
  - (i) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or
  - (ii) in entities whose financial interests would reasonably appear to be affected by such activities.

**Public Health Services (PHS)/National Institutes of Health (NIH):** The PHS policy for disclosure and management of conflicts of interest applies to all grants and cooperative agreements (other than Phase I SBIR and STTR applications) including noncompeting continuations, and to solicitations issued and contracts awarded that are submitted to a [PHS covered entity](#) and other [non-federal sponsors that adopt the PHS policy for research](#).

For all PHS-funded projects, the campus FCOI policy and/or procedures must address, at a minimum, the requirements on the NIH.gov FCOI policy checklist ([http://grants.nih.gov/grants/policy/coi/checklist\\_policy\\_dev\\_20120412.pdf](http://grants.nih.gov/grants/policy/coi/checklist_policy_dev_20120412.pdf)).

## Privately Funded Grants and Contracts (nongovernmental funding sources)

Reporting requirements for research projects funded by non-governmental entities are outlined in [2 CCR § 18755](#). This regulation provides that research funding by certain nonprofit entities will not trigger disclosure. This regulation is also available on the FPPC website (<http://www.fppc.ca.gov/legal/regs/current/18755.pdf>).

**Summary of Disclosure Requirements:** Refer to the CSU FCOI Disclosure Chart for summary of requirements by funding source.

## [HR 2015-05 Principal Investigators – Conflict of Interest Policy Update](#)