

# Project Director’s Handbook

A Guide for Administration of Grants and Contracts



Office of Post Award Management  
California State University, Dominguez Hills Foundation

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## Introduction and Who We Are

The Office of Post Award Management is responsible for the administration of grants and contracts after a proposal is submitted and an award is made. The Office of Post Award Management is a department of the CSUDH Foundation that reports to the Dean of Graduate Studies and Research and has a dotted line relationship to the Chief Operating Officer/Chief Financial Officer of the CSUDH Foundation. The CSUDH Foundation is the fiscal agent authorized by the University to administer all sponsored research activities.

The Office of Post Award Management is responsible for a multitude of policy issues and processes of both financial and nonfinancial nature. When the institution receives an award from an external sponsor, it agrees to certain terms and conditions. In addition to conducting the work proposed, the institution also agrees to be a good steward of the external funds. The Office of Post Award Management exists to ensure good stewardship and compliance with relevant laws, regulations, and Foundation policies. It also provides assistance to faculty members as they conduct their funded projects and to the department/unit administrators that provide the frontline administrative and financial support.

Our functions include:

- Fiscal administration and compliance of grants/contracts, cooperative agreements, and subcontracts with federal, private, state and local sponsors;
- Central oversight of the post-award activities of all sponsored projects;
- Coordination and maintenance of the time and effort reporting system for sponsored projects;
- Compliance with applicable federal and state rules and regulations governing the fiscal compliance administration of sponsored projects, as well as Foundation and CSU policy;
- Partnership with Project Directors (PDs), Office of Research and Funded Projects and departmental staff to ensure compliance with award terms and conditions;
- Processing all award modifications (e.g. time extensions, incremental funding and budget revision requests) and preparing and setting up awards in the Sungard Financial System (OneSolution) after all required approvals have been received;
- Reviewing and approving financial transactions to support research;

- Preparing and submitting quarterly/annual financial reports and invoices in accordance with terms and conditions under the direction of the Project Director;
- Coordinating the annual Uniform Guidance audit, sponsor audits, and Chancellor's Office sponsored programs audits;
- Developing training materials and conducting training programs on fiscal compliance for sponsored project administration;
- Negotiating the Facilities and Administrative Cost Rate with assigned federal agencies;
- Project closeouts in consultation with Project Director, which could include final technical, financial, invention, and property/equipment reporting; and
- Coordinating all other Post Award functions on behalf of the Foundation.

Our Goals include:

- To be a vital, service-oriented office within the University community;
- To maintain a highly trained staff versed in all aspects of the post award administration processes;
- To keep abreast of current issues and the latest innovations in post award administration; and
- To be fully compliant with Federal, State, Foundation, and University policies and procedures by documenting internal control systems.

### **History of the CSU Dominguez Hills Foundation**

CSUDH Foundation, like other CSU auxiliaries established under the 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 1968 as a partner of the University to provide services and to develop and enhance programs that are an integral part of the educational mission of California State University, Dominguez Hills.

The CSU Dominguez Hills Foundation has responsibility for the following:

- Administration of federal, state, local and private research grants and contracts through its Office of Post Award Management;
- Custodial responsibility for non-state funds generated by University-affiliated activities;
- Management of all food and vending services on campus;
- Management of the University Bookstore and other commercial activities;
- Management of the Infant Toddler Development Center;
- Provision of auxiliary financial, accounting, and management services; and
- Other projects and entrepreneurial efforts that support the mission of the University – but which cannot be funded through state funds.

### **Structure of the CSU Dominguez Hills Foundation**

The CSUDH Foundation is led by an Executive Director, which functions as its Chief Executive Officer. The Executive Director reports to the Board of Directors.

The Chief Operating Officer/Chief Financial Officer and the Director of Commercial Operations are the principal administrators under the Executive Director. The human resources, accounting, finance, payroll, risk management, and grants/contracts administration functions are under the role of the Chief Operating Officer/Chief Financial Officer. The Director of Commercial Operations oversees dining services, the university bookstore, and the other entrepreneurial activities of the Foundation.

The 20-member Board of Directors is composed of CSUDH students, faculty, administrators, and community leaders. The Board of Directors and Executive Committee meets every alternating month to conduct Foundation business. The Vice President of Administration and Finance is an ex-officio voting member of the Board of Directors and is engaged in providing continuous oversight of the Foundation's activities.



## Grant Administration

### ICSUAM Policy Section 11000

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

Effective July 1, 2004, CSU Dominguez Hills submitted the campus policy titled: *Administration of Grants and Contracts in Support of Sponsored Programs* to the Chancellor's Office as the guidelines for applying for and administering all Sponsored Programs for our campus.

### Role of the Project Director

The process of managing sponsored programs is a shared responsibility between the Project Director and the Foundation Post Award staff. The Project Director has the primary responsibility for meeting the program deliverables and working with the Foundation Post Award staff to comply with all applicable fiscal and administrative policies and procedures. Although Project Director's may have staff to assist them with the management of project funds, the ultimate responsibility resides with the Project Director to ensure funds are expended in accordance with the approved budget and the terms and conditions of the contract/award.

The primary responsibilities of the Project Director include:

#### General

- Project Director is responsible for knowing what actions require sponsor approval and for obtaining that approval with involvement/assistance from Office of Research and Funded Projects.
- Project Director is responsible for encouraging students and other research personnel to participate in educational programs on the responsible conduct of research or research ethics.

#### Conduct of the Research

- Project Director is responsible for all actions required to manage and complete the scientific and programmatic aspects of the sponsored project.
- Project Director initiates programmatic changes to the project and seeks approval from the sponsor via request to the Office of Research and Funded Projects when required.
- Project Director initiates the hiring or assignment process and approves the selection or

appointment of individuals to the project, in accordance with Foundation policies and procedures and subject to Foundation HR approval, and is responsible for communicating staff changes to Departmental Administrative Staff.

- Project Director ensures the integrity and safeguarding of notebooks and scientific data.
- Project Director ensures the completion, accuracy and timeliness of programmatic (technical) reports.
- Project Director initiates requests for and monitors sub-recipient agreements with Post Award staff.
- Project Director ensures the quality, timeliness, and programmatic (technical) performance of sub-recipients.

### **Budget Management**

The Project Director has the primary responsible for financial accountability but can delegate an authorized representative to act on his or her behalf for departmental account/project management.

- Project Director initiates purchases.
- At the time expenditures are initiated, Project Director determines that expenditures are allowable, allocable and reasonable; approves them, and provides justification for the transaction.
- Project Director initiates the process of documenting cost sharing and/or matching and for ensure that cost share obligations are met from allowable and verifiable sources, including those by third party collaborators.
- Project Director initiates requests for re-budgeting as the sponsor requires.
- Project Director initiates cost transfer requests. When salary transfer requests are made, ensures these are based on actual effort expended and not as budgeted.
- Project Director identifies and proposes a resolution of any account deficit.
- Project Director reviews sub-recipient invoices for appropriateness and, to monitor progress of the work, approves payment of sub-recipient invoices.
- Project Director uses online financial intelligence system for financial monitoring, identifies and resolves errors in the account in a timely manner. If appropriate and required at budget period, the Project Director requests that remaining balances are carried forward.

### Project Transfer (Leaves University)

- All awards are made to the University and not to the individual investigator or project director. In the event a Project Director leaves the University, he/she must notify Co- Project Director, Faculty Participants, the department head, and dean of such departure in advance and seek appropriate next step instructions.
- Should the Project Director wish to take the grant/contract with him/her to the new institution, the Project Director must request and document written approval from his/her department head and dean to have the project officially relinquished. Should the department chairman and dean approve of the transfer, the Project Director must provide Office of Research and Funded Projects with a memo confirming agreement to the transfer and other materials necessary to obtain appropriate sponsor permission.
- Should the Project Director choose to leave the award with the University, the Project Director must notify Office of Research and Funded Projects of their departure as soon as possible and assist with the proper sponsor notification. Such notification will either be a replacement project director or termination of the award.

### Project Closure

The Project Director:

- Prepares the final programmatic (technical) narrative report, which may include contributions by sub-recipients or collaborators;
- Project Director submits any close out documentation needed in order for Foundation Post Award Management to submit financial status reports on a timely basis;
- Project Director provides information on other close out reports, such as for patents and on equipment; and
- Project Director retains the scientific data in accordance with the University's Policy on Access and Retention of Data.

### Role of the Post Award Staff

Post Award Analyst is responsible for providing the following services:

- Establish new accounts and monitors funds;
- Review expenditures and timesheets to ensure compliance with the approved budget;
- Review expenditures and timesheets to ensure compliance with all terms and conditions of

the award

- Offer administrative support to the project and its personnel;
- Prepare and submit invoices to the sponsor;
- Assist PI/Project Director with reporting requirements;
- Ensure fiscal reports are submitted timely to the sponsor;
- Review HR Personnel Action Forms;
- Review Reimbursed Released Time agreements;
- Review subcontracts for compliance;
- Provide assistance with interpretation of applicable sponsor regulations and Foundation and University policies and procedures;
- Ensure timely closeout of sponsored programs.

### **Pre-Award Submission**

Proposals shall not be submitted to any Sponsor/Agency without prior written approval of: President of the University or President's University designee, the Director of Research and Sponsored Programs, Graduate Studies and Research.

All proposal development/preparation, research compliance, funding opportunities or pre-award forms, policies and procedures should be directed to the University Office of Research and Sponsored Programs.

### **Faculty, Staff, or Administrator Leadership**

Each program involves a faculty, staff member, or administrator qualified to serve as a principal investigator or project director, who provides leadership in determining, proposing, and completing the activities of the project.

### **Compliance**

The terms and conditions of any award documents must be reviewed before acceptance and must comply with the university's and sponsor's policies and regulations, and applicable law. In some instances, sponsors have the authority to audit activities of a sponsored program regarding fiscal and program compliance.

### Execution of Contracts and Other Legal Agreements

The approval of both the Dean of Graduate Studies and Research and the Chief Operating Officer/Chief Financial Officer of the Foundation must be received on all terms and conditions of an award prior to execution.

Only the Chief Operating Officer/Chief Financial Officer and Executive Director of the Foundation are authorized signers on behalf of the Foundation. **Project Directors are not authorized to sign any contractual instrument in the name of the Foundation.**

The University's Authorized Organizational Representative (AOR) for grants and contracts is the Director of Sponsored Programs and Research. In his/her absence, the Dean of Graduate Studies and Research may sign.

The fiscal agent, or administrator of the fiscal agent, is the Chief Operating Officer/Chief Financial Officer of the Foundation. In his/her absence, the Executive Director of the Foundation may sign.

### Work Products - Final Reports, Products or Other Deliverables

The end work products of a sponsored program are usually one or more deliverables. Deliverables may include anything to which both parties have agreed to in advance. Some deliverable may be specific, while others more general. Deliverables may take the form of tangible products, written documents or financial information. Examples include:

- Videos and DVDs;
- Software;
- Material formulations;
- Curricular materials;
- Reports of results or surveys;
- Manuscripts;
- Works of art; and
- Documentation of completed instructional or service commitments.

### Period of Performance

Each grant or contract has its own longevity, with specific starting and ending dates. It is critically important to note that work may not proceed prior to a starting date or go beyond an ending date

without the specific authority established via a pre-award spending agreement or a no-cost extension. Such authority rests entirely between the CSUDH Foundation, external sponsor and academic unit (department chair and college dean) and is subject to the formal approval of the Dean of Graduate Studies and Research (no-cost extension) and Chief Operating Officer/Chief Financial Officer of the Foundation (no-cost extension and pre-award spending agreement).

### **Advance Account Spending Authorization**

Advance accounts give project director the opportunity to initiate sponsored research and begin incurring associated expenses prior to institutional acceptance of an award. Advance accounts allow the project director and departments to record and track expenditures directly to a project, eliminating the need to charge costs to an unrelated account. The federal government will only reimburse the CSUDH Foundation for pre-approved "startup" expenses that are incurred prior to the start of the project-funding period; therefore, any advances by the CSUDH Foundation will be limited and closely scrutinized.

### **Purpose**

This policy outlines the procedure for establishing advance accounts as well as the potential risks and responsibilities of incurring project costs prior to the start date of an award or the commitment of funds against a grant, contract or other agreement prior to receipt of an executed award document.

### **Types of Advance Department Codes**

1. Pre-Award – Allows for charging of expenses to federal and select non-federal sponsored projects up to 90 days prior to the start date of the award per sponsor specific regulations.
2. Late Award – Allows for charging of expenses to sponsored projects prior to receipt of the fully executed award agreement but not prior to the anticipated start date of the award (except as allowed by the sponsor).

### **Risks of Using Advance Department Codes**

The project director may occasionally have a need to expend on a Federal or non-Federal project prior to the start date of an award. As appropriate, the Foundation may take advantage of the pre-award spending authority granted by the Federal and on-Federal agencies. In the event that advance spending is authorized and an award is not received, the Foundation shall charge back to the department and/or school/college for expenses incurred. The signature of the Dean of the school/college on the Advance Accounting Spending Authorization Form signifies commitment to, and acceptance of, this chargeback if needed.

Federally-Funded Projects – The Uniform Guidance provides for the allowability of pre-award costs. Some agencies require approval and documentation before any pre-award spending occurs.

## Terms and Conditions

An advance can be requested using the Advance Accounting Spending Authorization Form that must be approved and signed by the Foundation COO/CFO. Upon approval, your request for advanced funding will be processed by the Post Award Analyst and an account number will be assigned for your new project. If it is determined that the risk is too high, the COO/CFO will contact the project director to discuss your 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 three (3) months. At the end of the three-month period and/or when the advanced budget has been fully expended, your project will be inactivated until such time that the Office of Research and Sponsored Programs has received a signed agreement. If it is later determined that an agreement between the sponsor and the Office of Research and Sponsored Programs cannot be finalized, all expenditures charged against the advanced funding account will be transferred to a discretionary, agency or state account listed on the Advance Account Spending Authorization form. It is important to note that there must be an account (such as a discretionary account) listed on the AASA form for which the Office of Post Award Management is authorized to transfer all non-reimbursable expenditures.

## New Account Initiation and Orientation

The Office of Post Award Management 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 Office of Post Award Management as soon as possible.

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

Once award notification is received, the Office of Post Award Management will set up the budget in the system and email the Project Director regarding an orientation meeting. The orientation should include the Project Director and 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 Project Director Post Award Handbook;
- Inform about University, CSUDH Foundation, and ORSP policies and procedures;

- Review terms and conditions of the award;
- Review and adjust the project budget;
- Establish the Project Director's signature record; and
- Provide a project account number to the Project Director.

Once the orientation meeting is complete, the Post Award Analyst will send out a Notice of Award email to all appropriate parties. This email will ask the Foundation's Technology and Communication Project Specialist to give the Project Director access to their account online. At such time the Project Director can request other individuals such as administrative/financial staff be given account access for budget monitoring. It is the responsibility of the Project Director to monitor their budget closely and track expenditures.

### **Conflict of Interest**

The Office of Research and Sponsored Programs considers it a conflict of interest when financial or personal considerations may appear to compromise a Project Director's judgment in conducting or reporting research, carrying out grant activity or conducting contracts. The [California State University Conflict of Interest Handbook](#) states "Conflict of Interest law seeks to minimize the extent to which public employees pursue their own financial interests at the expense of the public interest. The law of conflict of interest sets forth the means by which the collision of public interest with self-interest is diminished."

Even if there is no evidence of improper actions, this appearance of impropriety can undermine confidence in the ability of that person to act properly in his/her position. In such a situation, FORM 700U must be completed by the appropriate personnel. Nevertheless, Form 700U must be filled by all persons employed by CSU, including the Foundation, who have principal responsibility for a research project if the project is to be funded or supported, in whole or in part, by a contract or grant (or other funds earmarked by the donor for a specific research project or for a specific researcher) from a nongovernmental entity.

The Office of Research and Sponsored Programs oversees the completion of the Conflict of Interest forms in the initial stages of proposal preparation and subsequently requires a final Conflict of Interest Form upon close out of the award.

Presidential Memoranda (PM) 2015-02 governs the CSUDH Conflict of Interest program for sponsored programs. The full PM can be found at: <http://www4.csudh.edu/Assets/CSUDH-Sites/PMs/docs/most-recent/PM2015-02.pdf>



### Financial Conflict of Interest (FCOI) Disclosure Statement – National Science Foundation (NSF) and Public Health Services (PHS)

Any person who will work on an NSF or PHS funded project that is responsible for the design, conduct or reporting of work performed on the project must complete a Significant Financial Interest Disclosure statement. This disclosure includes employees of CSU Dominguez Hills, CSU Dominguez Hills Foundation and all subcontractors.

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

1. Prior to expenditure of funds;
2. Within 60 days of the identification of a project director who is newly participating in the project;
3. Within 60 days for new, or newly identified, FCOIs for project directors;
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.

The Conflict of Interest Policy does not prohibit the appointment of closely related individuals (husbands, wives, mothers, fathers, sons, daughters, sisters, brothers, or partners) to a project so long as the Project Director does not supervise or otherwise make personnel-related decisions regarding that relative. Transactions between the Project Director and the related employees must be consistent with that of other employees.

### Budget

In most cases, a budget is provided to the Office of Post Award Management when the proposal is submitted to the sponsor. It is the Project Director's responsibility to ensure that the Office of Post Award Management 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.

### Allowable and Unallowable Costs

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

### Allowable Costs

In order to be charged to a sponsored program, all expenses must be reasonable, allowable, allocable.

1. REASONABLE

- a. An expense is reasonable if the purchase is necessary, allocable, appropriate in quantity and fairly priced. Occasionally, a purchase which on its own may look unreasonable may be reasonable when examined in context with its necessity.

2. ALLOWABLE

- a. An expense is allowable if the purchase is needed to carry out the project. Will the project be harmed if this purchase is not made? The sponsor considers all expenses specifically identified in the approved budget necessary expenses.

3. ALLOCABLE

- a. A cost is allocable if the goods or services involved are chargeable in accordance with benefits received, or if it is incurred solely to advance the work under the project. Costs that benefit more than one project are not allocable when it cannot be determined how much each project benefits.
- b. Allocable costs may not be shifted to other sponsored projects to meet deficits caused by overruns, nor may those costs be shifted to avoid restrictions imposed by regulation of the sponsored project. Allocable funds may not be shifted for reasons of simple convenience either.

## Unallowable Costs

The following types of costs are always unallowable, unless explicitly approved in writing by the fiscal officer of the agency that granted the award.

### 1. Alcoholic Beverages

- a. Purchase of alcoholic beverages with sponsored monies is never allowable unless consistent with the purpose of the award (i.e. scientific research regarding alcohol).

### 2. Capital Expenditures

- a. Equipment, furnishings, buildings and substantial repairs (that materially increase the value or useful life of buildings or equipment) are not allowable except as provided in the sponsored agreement.
- b. Government funds shall not be used for the acquisition of land or any interest therein, except with the sponsoring agency's specific prior approval.

### 3. Entertainment

- a. Amusement, social activities, entertainment, gifts, and any items relating thereto such as meals, lodging, and gratuities are unallowable unless specifically approved in the agreement. These expenses are generally seen as benefitting an individual, rather than promoting project objectives.

### 4. Memberships and Subscriptions

- a. Costs for civic, business, technical, or professional organizations are normally not allowable (they are identified as benefiting an individual).

*When the decision is difficult or unclear, the legal approach is to ask the "prudent person" question: "Would a prudent person make this expense?" Another is the "front page" test: "If I were to read about this expense on the front page of the paper, would I be embarrassed or proud?" Both of these approaches imply that if there is doubt, one should err on the side of caution and not charge the expense to a sponsored program.*

### Overdrafts, Bad Debts, and Audit Disallowances

Project Directors and other authorized approvers should monitor grant account financial statements on a monthly basis at a minimum. The statements are available 24x7x365 via the Foundation's Financial System on the internet.

Overdrafts on grant accounts should be identified and rectified as soon as possible, moving the costs to an appropriate account. Care should be taken to ensure the costs are identified and moved in a timely manner. Costs transfers in general, and late cost transfers in particular (those occurring more than 90 days after the original expenditure was posted to the account), are heavily scrutinized by auditors. Cost transfers to correct an overdraft are subject to the Cost Transfer Policy (see Foundation website at [www.csudhfoundation.org](http://www.csudhfoundation.org) for the full policy). Audit disallowances must be transferred from the grant account to an unrestricted account, and may not be transferred to another grant account.

If work is completed satisfactorily, but the agency no longer has the financial means to honor the payment, this is considered a bad debt. The Office of Post Award Management will typically pursue payment for 1 year from issuance or until written acknowledgement is received from the funding agency indicating payment is declined. When all measures to collect the funds have been exhausted and with full knowledge of the department, a credit memo utilizing a departmental account will be initiated to write off the debt in the financial system. This requires approval of the Foundation's Chief Operating Officer/Chief Financial Officer.

If the project was completed but the agency refuses payment because of dissatisfaction with the work or end product, this is not considered a write-off. The Project Director must work with the agency to rectify the situation and resolve the concerns.

### 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 Project Director with approved and allowed changes.

1. No Cost Extensions
  - a. When Project Director needs more time to complete the work, most sponsoring agencies will agree to some extension of time with no changes in budget. To request an extension, contact the Office of Post Award Management ***30 days*** before the scheduled grant/contract termination. Under no circumstances should an extension be requested merely to use unspent grant/contract funds. Some sponsors, federal and non-federal alike, require a justification for the extension request. Please be prepared

to provide a justification and budget plan for your request. Extensions that require additional costs require detailed justification and negotiation and will go through the standard grant review and approval process.

## 2. Changes Requiring Sponsor Approval

- a. Changes in scope or objective of approved project;
- b. Sub-contracting or transferring substantive project objectives to a third party not previously approved;
- c. Changing the Project Director;
- d. Absence of the Project Director for more than 3 consecutive months;
- e. Substantially changing the level of effort of key personnel (i.e. Project Director);
- f. Budget reallocations in excess of the sponsor designated percent of the approved budget; and
- g. Reallocation of funds specified for participant support to non-participant categories.

## 3. Budget Adjustments

- a. Budget adjustments within approved categories not exceeding up to 25% of the total project budget are typically allowable. This percentage may be lower per the terms and conditions of the award.

## 4. Budget Change Requests

- a. Change requests must be in writing; email requests will be honored so long as the email is sent from the authorized signer(s) on the account. Requests to reallocate funds within approved budget categories may not exceed the maximum allowable amounts set by the sponsoring agency. Requests must include the reason for the request, account #, and object codes and amounts that you are requesting changes.

## Cost Transfers

A cost transfer is an after-the-fact reallocation of the cost associated from one account to another account(s). It is the expectation that all Project Directors and their supporting administrative staff understand the importance of reviewing their research accounts on a monthly basis at a minimum. It should be noted that when good faith attempts are made to allocate costs to their appropriate funding source initially, the need for cost transfers should be minimal. The government also requires that cost transfers be done timely. Most government agencies, such as National Institutes of Health (NIH), define this as within 90 days, and CSUDH Foundation has adopted this guideline for timeliness. Transfers made after this period of time raise questions concerning the propriety of the transfer and could potentially heighten the level of scrutiny applied to all cost transfers.

To initiate a cost transfer request to a sponsored project account, the Project Director is responsible for completing the appropriate cost transfer form. For payroll expense transfers, please use the Payroll Cost Transfer Request Form in accordance with the associated directions. For non-payroll related expenses, please use the Non-Payroll Cost Transfer Request Form. The request form may be sent electronically to the Office of Post Award Management from the Project Director or a designee's e-mail; the e-mail will serve as adequate authorization for the cost transfer. The Project Director should review the request for completeness and accuracy. The Project Director should ensure that these requests:

1. Are within 90 days of 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 Policy on Charging Expenditures on Sponsored Projects (see Foundation website at [www.csudhfoundation.org](http://www.csudhfoundation.org) for full details); and
3. Provide additional justification and appropriate documentation (section 3 & 4 of the Cost Transfer Request Form) if the request is not made within the 90-day period.

Once the Cost Transfer Request Form is completed it should be sent to the Office of Post Award Management. They will be responsible for reviewing and approving all cost transfer requests and ensuring that they are compliant with the guidelines established within this procedure. Should the Office of Post Award Management decide that the cost transfer is not appropriate, it will be returned to the Project Director. If approved, the analyst it to the Payroll/Accounting office for processing.

Cost transfers may be appropriate in the following circumstances:

- Cost transfers to correct clerical errors;

- Cost transfers to reallocate effort to reflect actual charges;
- Cost transfers for the removal of unallowable expenses;
- Cost transfers for the allocation of costs benefitting more than one project;
- Internal cost transfers between non-sponsored accounts;
- Cost transfers of out-of-period charges; and
- Transfer of pre-award costs (90 days prior to award notification).

Inappropriate circumstances for cost transfers include, but are not limited to, the following:

- Cost transfers used as a cost management strategy;
- Cost transfers between sponsored projects to avoid or eliminate cost overruns;
- Cost transfers for any other reasons of convenience;
- Cost transfers solely for the purpose of utilizing unexpended funds of a sponsored award;
- Cost transfers that circumvent pre and post award restrictions; and
- Late for lack of adequate support staff.

### Frequently Asked Questions – Cost Transfers

1. A Project Director requests transfer of expenses from one federally sponsored account to another and justifies the cost transfer “to correct an accounting error”. Is this an appropriate justification? Why or Why Not?

**ANSWER** – If it was an accounting error, the transfer must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge.

2. You are asked by a Project Director to stop at an office supply store on your way to work and pick up a few items. The Project Director also asked you to get donuts for the office meeting. When you arrive at work, the Project Director tells you that all items should be charged to the

grant. Your Post Award Analyst tells you that these purchases must come from departmental funds. Why?

**ANSWER** – If the supplies are not specifically allocable to the grant, they are considered general offices supplies and should not be charged as a “direct” cost to the grant.

Entertainment costs are unallowable under the provision of Uniform Guidance 200.403.

3. Dr. Jones would like to purchase a much needed piece of specialized equipment for his research on remote teacher education that was not originally budgeted for. When preparing the purchase request, he realizes that the only account with enough money is his grant for research on master teacher fellowships. Because both grants are funded by US Department of Education, he charges the specialized equipment to the master teacher fellowship award. Is this acceptable?

**ANSWER** - There must be a direct benefit to the project it is charged. It is recommended that he seek guidance from his funding agency for the needed equipment or provide another source of non-federal funding for this purchase.

### Cost Sharing / Cost Match

It is the practice of the CSUDH Foundation and University to NOT 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 approval of the College Dean and Vice Presidents of Administration and Finance and Academic Affairs.

### Definitions:

Matching Funds: Funds used to “match” funds concurrently with the expenditure of federal funds.

Cost Sharing: An obligation to share project costs which must be made by the end of the project term.



In-Kind Contribution: A non-cash contribution of the fair market value of goods or services provided to a project.

Leverage: The term “leverage” is not defined in federal regulations or CSUDH Foundation policy. This term is used informally to refer to one project that complements another. For example, a federal instrumentation grant cannot be used as cost-share on another, since federal funds cannot be used as cost-share on other federal grants. However, one might say that the equipment purchased with a federal instrumentation grant could be used to “leverage” other federal projects that will make use of such equipment.

There are two types of cost match:

- Cash Match
  - a. Cash contributions which represent the recipient's cash outlay, including the money contributed to the recipient by non-federal third parties
- In-Kind Match
  - a. In-kind contributions which represent the value of all non-cash contributions, including services and property, provided by the recipient and/or non-federal third parties

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 Uniform Guidance Section 200.306 and Appendix I 2.C., which state:

- Funding announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible;
- If cost sharing is not required, the announcement must explicitly say so; and
- Voluntary committed cost sharing (institutional cost share proposed but not required) is not expected in federal research proposals and cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is in accordance with Federal awarding regulations and specified in a notice of funding opportunity. Criteria for considering voluntary cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity

### Federal Requirements for Cost Sharing/Matching

Federal funding agencies define and acknowledge various types of cost sharing or matching funds, including:

- Mandatory Cost Sharing -- required by a sponsor as a condition for making an award and usually refers to an overall percentage of total projects costs to be contributed by a source other than the sponsor
- Committed Cost Sharing -- not required by the sponsor yet reflected in the proposal budget, usually in the form of effort that will be contributed by the principal investigator or other project staff and paid from University or non-federal funds
- Voluntary Cost Sharing -- not required by the sponsor or shown on the proposal budget, but usually reported, in addition to mandatory or committed cost sharing, as cost share through the University's effort reporting system
- In-Kind Contribution -- the value of *non-cash* contributions provided by the University or non-federal third-party participants. Such contributions may be in the form of real property, equipment, supplies/other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

### Distinguishing Mandatory, Committed, and Voluntary Cost Sharing

Because mandatory cost sharing is established and required by the sponsor as a condition of the award, it is more rigid than committed or voluntary cost sharing. The sponsor generally indicates any mandatory cost sharing on the notice of award and permits no decrease in the amount without prior approval. Voluntary uncommitted cost sharing is not required or reported to federal agency.

### Cost Match Guidance

As a general rule, for all projects where Cost Match is required or volunteered (including federal, state, and private grants), we and our sub-recipients must maintain records that clearly support the source, the amount, and the time of all matching contributions. The specific type documentation required is based on the nature of the award, taking into consideration the type of cost sharing, the terms of the sponsored agreement, and other circumstances of the award.

Documentation within our financial accounting system should be provided whenever possible. In most cases, we use a Cost Match Report to capture the data and then require back-up documentation for the report.

### Examples of Back-up Documentation

Faculty and staff effort:

1. Copies of effort reports maintained in the project folder and imaged as supporting documentation for related entries made to cost sharing accounts

For services rendered:

1. Title of project;
2. Individual's name and job title;
3. Type of work performed within scope of project;
4. Number of hours worked;
5. Actual rate of pay per hour or daily rate for work performed (it must be based upon actual pay rate -- i.e., employee rate, self-employed rate or market value rate established during development of in-kind agreement);
6. A copy of individual's timesheet with hours indicated or marked as hours contributed to project and name of employer can be used;
7. If employer pays fringe benefits on employee, that figure can also be used as match. The actual fringe benefit percentage rate should be included on the form or written on the timesheet for calculation purposes;
8. A signature of the individual must be included on the timesheets or verification form; and
9. If the individual is not the owner of the company or manager, their supervisor must sign the form to verify rates and time donation.

For equipment, products or other contributions:

1. Are verifiable from the recipient's records;
2. Are not included as contributions for other federally assisted project or programs;
3. Are necessary and reasonable for proper and efficient completion of the project or program objectives;
4. Are allowable under the applicable cost principles (Uniform Guidance Subpart E – Cost principles or other sponsor regulations if the sponsor is non-federal);

5. Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching; and
6. Are provided for in the approved budget when required by the sponsoring agency.

The Office of Post Award Management will request cost match documentation no less than annually. The Post Award Analyst will complete to the best of their ability the Cost Match Form. It is the Project Director's responsibility to review and correct the form, sign, obtain chair/dean signatures, and return to the analyst along with all appropriate backup documentation.

### Frequently Asked Question - Cost Matching

1. If voluntary uncommitted cost sharing is not required to be tracked, can this become an issue at auditing time if we have no documentation to show the uncommitted cost sharing done on the grant?

**ANSWER** - We track uncommitted cost sharing, but do not report to the sponsor. We must track voluntary uncommitted cost sharing to assure good stewardship and F&A reporting purposes.

2. Should we spend match funds first and then award funds, or should they be spent in parallel?

**ANSWER** - There are no written rules, but it is suggested that the direct costs and cost share be spent proportionately during the award, because cost share must be spent if award funds are spent. Departments are responsible for ensuring that cost sharing is occurring and being accounted for appropriately. There are some awards that have specific requirements that require that, on a monthly or quarterly basis, cost sharing match the proportion of direct costs.

3. Is there a rule regarding unused match funds?

**ANSWER** - If you have more cost sharing than needed for the award requirements, you will need to look at the source of the cost share. If it was provided from departmental/central allocated funds, any departmental/central funds not used must be returned.

4. If you don't fully meet your cost-sharing commitment, what should you do?

**ANSWER** - First and foremost, all efforts should be made to meet your cost-share commitment. If multiple parties (e.g., sub-recipients or other third parties) are contributing cost-sharing, and one or more fails to meet its commitment, it may be permissible to increase other parties' commitments to compensate for the shortfall. All such efforts should be discussed with your agency program officer to make sure the revised cost-share commitments meet their

approval. If you cannot meet your full cost-share commitment, the sponsor might reduce your award by a proportionate amount. (For example, if you receive a \$100,000 award that was subject to a 1:1 match, and you only were able to meet \$85,000 of your cost-share commitment, the federal share of your award might also be reduced to \$85,000).

5. What costs are to be reported to Post Award on the Account Closeout Form in the total cost sharing section?

**ANSWER** - The Mandatory and Voluntary Committed cost sharing only. Voluntary uncommitted cost sharing would not be reported.

### 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 Office of Post Award Management in accordance with the sponsor's regulations and agreements and reported to the sponsor. This will be established in the Foundation's Trust/Agency Fund.

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.

### 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. Project Director's must submit reports directly to the granting agency.

Project Directors who have contracts instead of grants may be required to deliver specified products or services. Project Directors must also submit copies of all reports and transmittal letters to the Office of Post Award Management. If the report is too long to submit a complete copy to the Office of Post Award Management, provide a copy of the table of contents and the executive summary as well as the transmittal letter.

It is critical that the Foundation maintains copies of these documents in its official records for auditing purposes.

Technical progress reports may include:

1. A statement of actual accomplishments towards goals and/or the findings of the Project Director;
2. Reasons why goals were not met;
3. Other pertinent data;
4. Other requirements of the sponsor; and
5. Problems or favorable developments during the reporting period.

Technical reports, data, findings, published papers, deliverables, copyrights or final products are the property of the University/CSUDH Foundation unless the contract/agreement specifies joint ownership of the sponsor. All project records must be kept on campus and in the office of the Project Director or the Office of Post Award Management.

### **Financial Report**

In addition to Progress Reports, most sponsors also require financial reports. The Office of Post Award Management provides financial reports that include all expenditures, program income, cost sharing contributions and other financial information as required by the sponsor. Depending on the terms and conditions of the grant or contract, unobligated project funds will be returned to the sponsor or transferred to the residual balance account where the Project Director has two years to use the funds on project related activities.

### **Grant/Contract Closeout**

As with any major endeavor, a project account cannot be closed until all paperwork is complete. The Post Award Analyst sends out a 30 days' notices prior to end date. This notice requests the Project Director to take certain actions to facilitate the close of the project.

Items required for closeout:

1. Acknowledgement verification of submission of the final technical and financial report;
2. Final Invention statement (if applicable);
3. Cost Match report and documentation (if applicable);

4. Final Conflict of Interest Form;
5. Final expenditures;
6. Clearing of travel, advances, and encumbrances;
7. Termination or transfer of all personnel assigned to and/or working on the sponsored project;  
and
8. Clearance of overrun on account (if applicable).

The majority of CSUDH Foundation sponsored 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 Project Director completed the project for less than the agreed upon rate, the remaining *direct* cost (the residual balance) will be transferred to a different account for the Project Director to use for a 2-year period. After the two-year period, the funds will no longer be available to the Project Director. The maximum allowable residual balance transfer is 25% or less of the entire awarded amount.

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

The CSUDH Foundation and all sponsored projects are subject to audits. An external, independent accounting firm conducts annual audits of the Foundation's financial statements and performs the Uniform Guidance (formerly A-133) audit of federally funded programs, required each year of organizations that expend \$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.

It is imperative that policies and procedures are followed at all times and that current and accurate records are kept. Research materials and records must be retained on campus so that they are readily available for auditor reviews. Unless an awarding agency specifies that records need to be retained longer, the Office of Post Award Management will retain records for each sponsored project for three years from the date of the project close-out. In addition, the CSU Records Retention Policy shall be followed. The full CSU Records Retention Policy can be found at: <https://www.calstate.edu/recordsretention/>

### Indirect Cost Recovery

When the Foundation is awarded a grant or contract, there are operating costs to the University and Foundation which are directly related to the project (library resources, building maintenance, employment services, accounting services, classroom or laboratory space, etc.) These costs are not readily identifiable with a particular project but are necessary to the general operation of the project and the institution.

As a result, CSUDH Foundation has negotiated an indirect cost recovery rate with the Department of Health and Human Services which is applied to recover the unreimbursed expenditures incurred at the University on behalf of sponsored programs.

The current rates are as follows:

<u>Current Negotiated Rates:</u>	<u>Applicable to All Programs:</u>
07/01/2013 to 06/30/2017	46% On-Campus
07/01/2013 to 06/30/2017	20% Off-Campus

### Payment of Goods/Services Nearing End of Project

All costs relating to grant and contract projects must be incurred during the project period. Grant compliance regulations define this as supplies and other tangible items being ordered and shipped prior to the last day of the grant and contract project period. In addition, services from outside consultants and employees must be performed no later than the last day of the period of the award.

When Foundation receives expenditure documents for processing, it reviews the date the items were shipped on the vendor's invoices. If the vendor's invoice states that the goods were shipped after the last day of the grant period (regardless of the date of the invoice or the date the invoice was paid), these items did not benefit the grant project as they were not received while the project was active, and as a result, cannot be charged to the account. This review process is also performed by our external auditors who review all grant and contract activity every year to ensure the Foundation is compliant with this important compliance standard.

Effective December 26, 2014, there is a new compliance requirement per 2 CFR 200.314 which states that if there is a residual inventory of unused supplies exceeding \$5,000 upon termination of the project, your project will be required to compensate the government for its share of these unused items. This means that the grant project will need to receive a refund for the cost of those supplies that were purchased for your project and were not used. This refund would need to come from non-grant funds held in the Foundation and deposited back into the grant.



To avoid this situation, large purchases of tangible supplies, including computers, will not be allowed to be paid towards the end of the project. We highly encourage that all supply orders exceeding \$5,000 including computers and/or tangible items be ordered and received three to six months before the end of the project.

As a reminder, for most grant projects, all expenditures incurred prior to the grant deadline must be recorded in the grant project no later than 60 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award. The agency must receive all financial, performance, and other necessary reports as required by the terms and conditions of the award no later than 90 calendar days after the date of completion of the project.

### **Taxes on Grant Expenditures**

The following provides brief guidance to Project Directors on the taxes associated and paid with grant expenditures. While the Foundation is a non-profit, tax exempt entity, this applies only to its income tax position and not to other taxes, such as sales, use, and possessory taxes.

Out-of-State Purchases - sales tax is required to be paid on all tangible items consumed within the State of California. When purchasing tangible products outside of California, sales tax is required to be paid on the taxable amount of the purchased item. The current sales tax rate is 9 percent. If the vendor does not include sales tax on their invoice, we must increase the amount charged to your account by 9 percent to account for this use tax. The tax is then remitted to the State of California.

Out-of-State Services – If an independent contract is executed for services for your project and the provider does not reside within the State of California, we are required by the IRS to withhold 7 percent of the payment when the total services exceed \$1,500.00 for the calendar year.

Out-of-Country Services – Same as out-of-state withholding, except the Foundation is required to withhold 30 percent for services performed by an individual and/or business residing outside the United States in which there is not a tax treaty with the country. If there is a tax treaty with the country, the terms of that treaty must be followed.

Payments to Independent Contractors – When making payments to independent contractors, the Foundation's Independent Contractor Form must be completed. This form consists of their name, address, amount and type of service, and signatures. We must receive all information before we can release payment to the individual. If we are making payment for services performed, a vendor data record form must be completed prior to issuing payment. Work cannot begin until approval for Independent Contractor status is granted.

## 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, staff, and administrators) and Foundation employees.

State-side employees include faculty, staff, and administrators whose primary appointment/employer is CSU Dominguez Hills. 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 Post Award Management will reimburse the University for their "bought out" time.

Foundation employees include all other personnel that need to be hired on to the grant (i.e. program staff and student assistants). These individuals will be hired through the Foundation's Human Resources Department and paid through Foundation Payroll which will be charged to the grant directly (rather than being reimbursed to the university).

## Human Resources and Payroll Policies and Procedures

Individuals hired for sponsored projects must go through CSUDH Foundation Human Resources and Payroll. To hire employees for the sponsored project, the Project Director needs to complete a Personnel New Hire/Position Change Form and submit it to Foundation Human Resources. **Foundation Human Resources must provide approval and hire the individual prior to the individual performing any work.** Project Directors are not authorized to hire or terminate any Foundation staff; this is only performed by Foundation 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 of the Foundation. ***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 semi-monthly according to the payroll schedule, obtaining Project Director signatures, and submitting to Foundation Payroll appropriately. Please visit the Foundation website at [www.csudhfoundation.org](http://www.csudhfoundation.org) for further information on contact information, policies and procedures, and forms for Foundation Payroll and Human Resources.

When University employees work on funded projects administered by the CSUDH Foundation, there are various methods of payments. These include reimbursed time, additional compensation (which includes AY overload, intersession/winter holiday, and fall and spring breaks) and summer salary.

When federal funds are involved, faculty and staff buy-out pay must be calculated at or below University (state) pay rates. If a replacement rate is used, the dean of the college or supervisor of

the administrative home must approve the rate in accordance with the Chancellor's Office replacement rate. Approval may be obtained through e-mail communication.

Definitions of and guidelines for each type of payment shows below:

### Reimbursed Time

**Academic Year Faculty (AY)** can request release time Weighted Teaching Units (WTUs) from their deans and department chairs in order to work on a specific sponsored projects for a specific semester or academic year. When faculty members are released to work on sponsored projects, they continue to be paid by the University for their full appointments. The assignment must tie to University records and other supporting documentation for verification of time released. Buy-out funds are reimbursed to the college by the Foundation project to which the faculty member is assigned.

**University Staff** (state paid/non-faculty) are, in rare cases, released from a portion of their regular staff duties to work on funded projects. The buy-out of staff time takes place in the same manner as faculty buy-out except that current campus staff pay rates are used. Approval comes from the supervisor for the administrative home of the staff member.

**Deans, Associate Deans, and Chairs** cannot be bought out of their assignments in order to work on a specific sponsored project; however, they may earn additional compensation up to the maximum allowed by HR 2002-05 if the additional employment is of a substantially different nature from the primary or normal work assignment.

**NOTE:** Additional employment and overload may be denied and/or restricted by the University President or designee. Additional employment shall not interfere with the employee's primary CSU assignment.

### College Academic Resource Managers and Administrative/Clerical Staff

Direct charging may be appropriate when the participation of the individuals being charged to a federal project meet all four of the following conditions as set forth in Uniform Guidance 200.413.

The project must require support services beyond the normal scope necessary for the typical sponsored project (i.e., it is an unlike circumstance):

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- The costs are not also recovered as indirect costs.

**Other Exempt Employees** can be bought out of their assignments if the work being performed is specific to the project. Their assignments must tie to University records and other supporting documentation for verification of time released.

**Non-Exempt Employees** can be bought-out of their assignments if the work being performed is specific to the project. Their assignments must tie to University records and other supporting documentation for verification of time released.

**Faculty on Sabbatical** cannot earn additional compensation unless approved in writing by the University President or designee.

**Early Retirement Program Faculty (FERP)** may be bought out of their FERP assignments if the work being performed is specific to the project. FERP assignments are 50% of the employee's regular time base in the year preceding retirement. Appointments for FERP faculty may be split over two semesters. Their assignments must tie to University records and other supporting documentation for verification of time released.

**Retired Faculty** working on funded projects should base their salaries on their position titles at retirement, using the current rate of pay for that position.

**NOTE:** A Foundation approval is also required on any reimbursed time arrangement to ensure compliance with campus and funder regulations. The campus and Foundation approvals are part of the green-sheet process.

#### **Calculations:**

**To calculate salary/fringe benefits for faculty academic year (AY) buy-out:**

- Identify the start and end dates of the project, making sure that they cover the appropriate semester or academic year.
- Determine the current salary of the faculty member by contacting the College's Academic Resource Manager. Be sure to include any general salary increase which may be retroactive for the current year.
- Determine the percentage of time for the buy-out, calculating units into percentage of time. The units listed below are based on one semester with a full time load equivalent of 15 units, 12 units of teaching, and 3 units of advising and/or committee work.

**NOTE:** The units are also converted to hours, which can be useful for determining the amount of time a project might take.

1 unit = 7% (2.8 hrs.)	6 units = 40% (16 hrs.)
2 units = 13% (5.2 hrs.)	9 units = 60% (24 hrs.)
3 units = 20% (8 hrs.)	12 units = 80% (32 hrs.)
4 units = 27% (10.8 hrs.)	12 units + committee work = 100% (40 hrs.)

- When creating multiple year budgets, add a COLA/GSI if applicable for each year.
- Calculate the buy-out for a year by multiplying the AY salary by the percentage of time (\$50,000 x 20% (3 units per semester) = \$10,000 for AY).
- When calculating just one semester, divide the AY calculation by 2 (\$10,000 divided by 2 = \$5,000 for one semester at 20%).
- Fringe benefits rates for reimbursed time change year to year.

**NOTE:** University Budget Office will issue a yearly update for current rates.

**To calculate salary/fringe benefits for 12-month faculty buy-out:**

- Identify the start and end dates of the project to determine how many months the buy-out will cover.
- When creating multiple year budgets, add a COLA or GSI, if applicable, for each year.
- Determine the percentage of time the individual will spend on the project.
- Multiply the 12-month salary by the percentage of time (\$100,000 x 20% = \$20,000).
- For fewer than 12 months, multiply the monthly salary by the number of months and then by the percentage of time. (\$100,000/12=\$8,333.33 x 6 months = \$50,000 x 20% = \$10,000).
- Fringe benefit rates for reimbursed time change year to year.

**NOTE:** University Budget Office will issue a yearly update for current rates.

**To calculate salary/fringe benefits for University staff buy-out:**

- Identify the start and end dates of the project to determine how many months the buy-out will cover.
- Because staff salaries are calculated on a calendar basis, rather than on an AY basis, use the current staff member's monthly salary, add COLA/GSI, if applicable, and increase the amount each year to allow for raises and cost of living allowance increases for multi-year project.

- Determine the percent of time the individual will spend on the project or number of days.
- Multiply the monthly salary by the number of months and then by the percentage of time (\$4,167 multiplied by 6 months - \$25,002, multiplied by 20% = \$5,000) or use the hourly rate and multiply the number of hours by the hourly rate (50 hours multiplied by \$24 per hour = \$1,200).
- To determine the hourly rate, use the monthly salary (at 100% time) divided by 173.33 (number of work hours in a month) (\$4,167 divided by 173.33 = \$24.00).
- Fringe benefit rates for reimbursed-time change year to year.

**NOTE:** University Budget Office will issue a yearly update for current rates.

### Additional Employment

**Chancellor's Office Policy HR 2002-05 (Additional Employment Policy)** sets a limit on time worked above and beyond the employee's primary assignment where the work is of a substantially different nature from the employee's primary assignment or, for faculty, where the work is paid for by other than the CSU general fund dollars or is the result of a part-time employment on more than one campus. Additional Employment is allowed up to a maximum of 125% time (not salary) for all campus activities paid through any campus entity, including work performed on grants and contracts at the Foundation.

Additional compensation for work performed on grants and contracts will be paid to faculty or staff through Foundation payroll. Foundation timesheets are completed and submitted semi-monthly.

**NOTE:** HR 2002-05 states, "Additional employment and overload limits are calculated and applied independently during vacation, holiday periods or other academic breaks."

### Faculty AY Overload Compensation

**Academic Year Faculty:** Academic year faculty may earn additional compensation up to the maximum allowed by HR 2002-05 if the additional employment is of a substantially different nature from the primary or normal work assignment, or is funded from non-CSU general fund sources, or is the result of part-time employment on more than one campus.

**FERP Faculty** are eligible for additional compensation for work performed on a sponsored project if work is of a substantially different nature from the primary or normal work assignment or it is funded from non-CSU general fund sources. Faculty participating in FERP at .50 AY may have up to .75 additional employments through the Foundation each semester. At 1.0 FERP for one semester/year, additional employment may be up to 1.25 during that semester.

### General Rules Governing Faculty AY Overload Compensation

- As a condition of the faculty contract, the Chancellor's Office limits faculty from working more than 125% time on all activities, (e.g., University appointment, grants and contracts, or other campus-funded work) during the academic year. Assuming a 100% University appointment, faculty may work up to 25% overload during the 17 weeks in each semester. Twenty-five percent of 40 hours is 10 hours per week or a total of 170 hours per semester (a good guide for faculty during the academic year).
- Faculty are responsible for monitoring their time commitments for all activities paid by all campus sources (University or foundation) to ensure compliance with the 125% rule. The campus is also responsible for not paying faculty for more than 125% time.
- The 125% rule references the time commitment, not the amount faculty can be paid. Faculty may earn in excess of their faculty pay rate assuming the funding source does not object.
- For all non-federal projects, salary can be charged at higher rates if the rates are reasonable and the funding agency approves.
- When Federal funds are involved, pay must be calculated at the same or lower rate as University (State) pay; faculty cannot be paid a higher rate of pay than earned through their state salaries.
- When federal funds are involved, the AY overload must be clearly identified as "overload" in the budget to allow for agency approval.
- Payment of overload is done through the Foundation by submitting an approved Personnel Action Form and timesheet submitted twice a month.
- The National Science Foundation (**NSF**) generally does not allow AY Overload.

#### To calculate AY Faculty Overload:

- Hourly rate: Divide the faculty member's academic year salary at 100% or salary base by 170, (the number of days covered by the faculty contract) and then divide by 8 (number of hours in a day). (Example: \$54,400 divided by 170 = \$320/day divided by 8 = \$40 per hour). **Or**, by using the 25% limit, multiply \$54,400 by 25% = \$13,600 divided by 2 = \$6,800 (per semester limit) divided by 170 = \$40 per hour).
- Determine the number of hours required to complete the tasks described in the scope of work. List the number of hours to be worked and multiply it by the hourly rate.

- Fringe benefits/payroll taxes must include SUI, FICA/Medicare and Workers Compensation. Workers; Compensation rates vary by position. For current rates, contact Foundation HR.

#### Faculty Additional Compensation During Summer, Intersession/Winter Holiday, Fall/Spring Breaks

- Summer, intersession/winter holiday, and fall and spring breaks are not part of the AY overload period.
- There are 12 weeks available during the summer. During intersession and winter holiday there are up to four weeks, and for fall and spring breaks there is one week per break that is not counted as part of the time commitment for the fall and spring semesters.
- During summer, intersession and breaks, faculty can work up to 125% of their time (50 hours per week) including such activities as teaching summer school and working on grants and contracts. However, funding agencies and auditors may not view anything over 100% time (40 hours per week) favorably. Therefore, the Foundation does not encourage commitment beyond 100%.
- Because summer, intersession and breaks are not included in the AY overload monitoring for faculty, they should be listed separately for budgeting purposes, not as overload, unless the campus employee has a twelve-month appointment.
- For all non-federal projects, salary can be charged at higher rates if the rates are reasonable and the funding agency approves.
- When federal funds are involved, pay must be calculated at the same or lower rate as University (state) pay; faculty cannot be paid a higher rate of pay than earned through their state salaries.
- Overtime applies to Faculty Overload paid by Foundation. The Foundation must follow both federal and state labor laws. Therefore, overtime must be paid for Foundation hours worked over 8 in one day or over 40 in one work week, or for hours worked on the 7<sup>th</sup> consecutive day in a work week.
- Based on FSA 76-03 Chancellor's Office Policy statement in effect since 1976, summer, intersession and break pay should be calculated using the following method: divide the AY salary by 170 days to determine the daily rate, then divide the daily rate by 8 to get the hourly rate. For monthly rate: divide the AY salary by 7.85 to get the true monthly summer salary.
- If federal funds are involved during these time periods, no time over 100% can be included.



### Exceptions

- For all NSF summer salary calculations, 1/9<sup>th</sup> of the AY salary equates to one month of summer pay at 100% time. No more than two months' salary may be charged to NSF awards during the summer.

#### To calculate an hourly rate for summer, intersession and breaks:

- **Monthly rate for non-NSF project:** Divide the AY salary by 7.85 to get the true monthly summer salary.
  - For Hourly rate: Divide the faculty member's academic year salary at 100% by 170 (number of days covered by the faculty contract) and then divide by 8 (number of hours in a day). (Example, \$54,400 divided by 170 = \$320/day divided by 8 = \$40 per hour).
- Determine the number of hours required to complete the tasks described in the scope of work. List the number of hours to be worked and multiply it by the hourly rate.
- Fringe benefits/payroll taxes must include SUI, FICA/Medicare, and Worker's Compensation. Worker's compensation rates vary by position. For current rates, contact Foundation HR.

#### To calculate NSF summer salary:

- Use 1/9<sup>th</sup> of the AY salary for one month of summer salary at 100% time. **Example:** \$45,000 AY divide by 9 months = \$5,000 for 100% time for one summer month.
- For less than 100% time, use the calculation above and then multiply by the percentage of time to be spent on the project.
  - **Example:** \$45,000 divide by 9 = \$5,000 multiply by 60% time = \$3,000.00.
- Fringe benefits/payroll taxes must include the mandatory taxes of SUI, FICA/Medicare and Worker's Compensation. Worker's Compensation vary by position. For current rates, contact Foundation HR.

**NOTE:** No more than two months' salary may be charged to NSF awards during the summer.

### University Staff and Twelve-Month Faculty Additional Compensation

**Deans, Associate Deans and Chairs** can earn additional compensation up to the maximum allowed by HR2002-05 if the additional employment is unrelated to the primary work assignment, not paid from the CSU General Fund; however, the same shall be subject to the approval of the President of the University or designee.

**Other Exempt Employees** may earn additional compensation up to the maximum allowed by HR2002-05 if the additional employment is unrelated to the primary work assignment and the source of funds is other than a CSU.

**Other Non-Exempt Employees** will infrequently receive additional employment. In most instances, overtime law prevails. Request for overtime must be pre-approved in writing from the supervisor prior to rendering overtime.

### General Rules Governing University Staff and Twelve Month Faculty Overload

- University staff is prohibited from working more than 125% time on all activities (e.g. University appointment, grants and contract, or other campus-funded work) during the calendar year since they are usually twelve month employees. Overload in these cases covers the calendar year including intersession, summer, and breaks for full time staff position.
- The 125% rule allows University staff and twelve-month faculty in full time (100%) positions to work up to 25% additional time on funded projects. Twenty-five percent of 40 hours is 10 hours per week, a good guide for those in twelve month positions working overload.
- The 125% rule references the time commitment, not the amount staff and faculty can be paid.
- When federal funds are involved, pay must be calculated at the same or lower rate as University (State) pay; staff and faculty cannot be paid at a rate higher than their state salaries.
- The Foundation must follow both federal and state labor laws. Therefore, overtime must be paid for hours worked over 8 in one day or over 40 in one work week, or for hours worked on the 7<sup>th</sup> consecutive day in a work week.

### To calculate salary for Exempt University Staff and Twelve Month Faculty Overload:

- To calculate the hourly rate for 12 months, full time university employees, divide their monthly salary by 173.33 (number of work hours in a month).
  - **Example:** Divide \$3,500 by 173.33 = \$20.19 per hour.
- Due to the 125% rule, full time staff and faculty members on overload are limited to working a total of 520 hours per year (25% of 2080) or 43.33 hours per month (25% of 173.33, number of work hours in a month).
- Determine the number of hours required to complete the tasks described in the scope of work.
- State the number of hours (up to 43.33 hours per month or 520 hours per year), the hourly rate and total request for the individual in the budget.

- Fringe Benefits/payroll taxes must include SUI, FICS/Medicare and Worker’s Compensation. Worker’s Compensation rates vary by position. For current rate contact Foundation HR.

**To calculate salary for Non-Exempt University Staff:**

- Determine the number of hours required for the non-exempt employee to complete the task described in the scope of work.
- Use the non-exempt employee’s actual hourly rate. This rate is available at the Foundation HR.
- State the number of hours (up to 43.33 hours per month or 520 hours per year), the hourly rate and the total request for the individual in the budget.
- Include fringe benefits/payroll tax including SUI, FICA/Medicare and Worker’s Compensation. Worker’s compensation rates vary by position. For current rate, contact Foundation HR.

**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 Post Award Management is required to ensure that effort expended on sponsored activities is certified. The Office of Post Award Management will distribute Faculty Effort Reports to each individual working on federal projects three times per year; approximately 5 weeks after the end of the academic terms.

<b>Fall Semester</b>	Includes Winter Intercession
<b>Spring Semester</b>	Includes spring break
<b>Summer Session</b>	

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 normally works 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 Post Award Management receive the completed forms in a timely manner. As stated previously, the effort report form will be distributed to each individual per the table above. A first reminder will be provided if the form is not returned within 30 days of receipt of the report. If a second reminder is needed, the Project Director will be copied on the email reminder. Continued non-compliance will be referred to the respective Dean/AVP/VP.

Certification of effort for CSUDH Foundation exempt employees is collected on a monthly basis. Exempt employees are required to complete, sign and submit the CSUDH Foundation Exempt Employee Effort Certification form to the Office of Post Award Management on the 10<sup>th</sup> day of each month for the previous month's effort. Effort for non-exempt CSUDH Foundation employees is certified through the semi-monthly submission of the individuals' timesheet.

## Procurement

### Procurement Policy

The CSUDH Foundation Procurement Policy includes the purchase of equipment, materials, supplies and services necessary for CSUDH Foundation activities.

Purchases of \$5,000 or less may be approved by the appropriate project manager, administrator, or designee. Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices. Price quotations may be required if the Foundation determines the goods or services have been repetitively purchases from the same vendor. Purchase orders are optional, but strongly encouraged.

Purchases in excess of \$5,000 must be approved by the Chief Operating Officer/Chief Financial Officer or his/her designee. To the extent practicable, account holders should obtain a minimum of three (3) competitive bids based upon price, quality, performance and/or technical specifications, and vendor responsiveness. Such procedures are not applicable to merchandise purchased for resale. Expired quotes or bids are not valid. A Purchase Order is strongly encouraged. If a vendor is providing pricing/quotes in accordance with a current State contract, no additional quotes will be required.

Purchases in excess of \$20,000 require a formal written agreement to be executed prior to purchase, unless advance approval is given by the Chief Operating Officer/Chief Financial Officer

or his/her designee. Such purchases are subject to the approval of the Chief Operating Officer/Chief Financial Officer or his/her designee, consistent with approved budgets.

Sole source purchases, equaling or exceeding \$20,000, on a non-competitive basis will require written justification and approval of the Chief Operating Officer/Chief Financial Officer.

Written justification must include:

- Description of the unique performance factors of the products specified;
- Rationale for why these factors are required;
- Explanation of other products that have been evaluated and rejected, and the rationale for their rejection; and
- Documentation as to why bids/proposals were not available from comparable vendor(s).

Open purchase orders may be used for routine repetitive purchases from the same vendor except for equipment.

Computer and Audio/Visual Equipment (Hardware or Software): The purchase of computer technology (hardware and software) shall be compatible with program or project goals and objectives; be within the approved budget, and, if applicable, be approved by the IT liaison in Technology Services to ensure alignment with campus IT standards.

Purchases from federally sponsored projects, grant or contract funds shall be executed and approved in accordance with the sponsoring agency's procurement policies and in accordance with terms and conditions contained in said contract or agreement. In absence of such policies, this policy will be followed.

Purchases in excess of \$25,000 shall include the basis for contractor selection, whether or not other competitive bids were obtained and, if not, why and the basis for determining final award. Such purchases shall be executed with a written agreement that includes contractual provisions for legal remedies for contractor breach, termination by recipient, and compliance with Equal Employment Opportunity Commission requirements.

Sole source purchases in excess of \$5,000 are subject to prior approval at the discretion of the Federal agency.

The Foundation is prohibited from contracting with or making sub-awards for covered transactions to parties or their principals that are suspended or debarred by any Federal department or agency.

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

There are two mechanisms for purchasing on a Sponsored Project - purchase order and check request.

### **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 Post Award Management a completed Purchase Order Form signed by all appropriate parties, along with a vendor data form and W-9 Form if the vendor is not already in the Foundation's Vendor Database (contact Accounts Payable, extension 3216 to see if the vendor is already on file)

There are two ways to obtain a Purchase Order number:

1. Complete the Purchase Order form, submit to Accounts Payable at SCC 202, and Accounts Payable will send you a copy of the PO form with the PO# provided in the top right corner.
2. Email the Office of Post Award Management and cc Accounts Payable requesting a PO. Once the Post Award Analyst has approved, Accounts Payable will email back with a PO#. The email should include project number, object code, Vendor name, and amount requested.

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 Project Director'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 an individual purchasing materials or goods using their personal money and seeking 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 SCC 202 where it will be reviewed, approved, and processed for payment and disbursement.

The check request needs to be signed by the Project Director or Project Director designee unless the Project Director is the individual who purchased the materials or goods out of pocket; at such time the Project Director's chair or dean is the authorizing signatory on the check request.

The Foundation issues checks twice a week (Tuesday and Friday after 3:00 PM). As long as the Office of Post Award Management and Accounts Payable have reviewed and approved the expense and supporting documentation, the distribution of checks will follow the below timeline:

**PAPERWORK DEADLINE:      CHECKS READY BY:**

IN BY NOON THURSDAY      TUESDAY @ 4PM

IN BY NOON TUESDAY      FRIDAY @ 4PM

Check Distribution Preferences: Mail Out, Call When Ready, Direct Pay (Electronic to Bank)

**NOTE:** Incomplete or missing supporting documentation will delay issuance of check(s).

**Documentation and Justification for Expenditures**

Documentation is required to justify any expense charged to a sponsored award. The backup for expenditures should be adequate to support and justify that:

- The expense provides a direct benefit and advances the goals of the award;
- The expense complies with any award restrictions and approval requirements outlined in the terms and conditions of the award; and
- If needed (for administrative expenses wherein they would typically be considered an indirect cost), the expense qualifies as "unlike purpose and circumstance" on a federal award.

The Foundation shall maintain documentation to ensure expenditures are made consistent with Foundation and sponsor guidelines. In the administration of use of funds, the Foundation must maintain adequate documentation in order to demonstrate that expenditures are made in a manner consistent with established policy and statute.

When funds are expended for goods or services the following shall be documented in writing on the disbursement voucher:

- The vendor's name (WHO);
- A complete description of the item (s) or service (s) to be purchased or received (WHAT);
- Date the expense was or will be incurred (WHEN);

- Location of the event expense (WHY);
- Reason for incurring the expense (WHY);
- Description of how the expense will have a direct benefit to the project (HOW); and
- The signature of an authorized signer for the project charged, indicating the approval of the expenditure for payment and that the expenditure is not restricted or prohibited.

#### Employee Reimbursement Expenses:

- 1) For payments made by check to a vendor (employee), the following documentation is required:
  - Cancelled check or statement from the bank; and
  - The original invoice, which should be made to the individual and be itemized (i.e., if it is for a meal reimbursement, the itemized receipt from the restaurant; if it is for the purchase of tangible goods, an itemized invoice that indicates what was purchased and the amount).
- 2) For payments made by Credit Card, the following documentation is required:
  - Original Credit Card Receipt; and
  - The original invoice, which should be made to the individual and be itemized (i.e., if it is for a meal reimbursement, the itemized receipt from the restaurant; if it is for the purchase of tangible goods, an itemized invoice that indicates what was purchased and the amount).

The rule of thumb is that *all documentation* should be “self-explanatory.” This means that anyone reviewing the documentation should be able to understand its purpose and intent.

**Test:** Is there sufficient detail so that the document speaks for itself? Remember, the document must be able to stand alone when reviewed during an audit.

#### Frequently Asked Questions - Procurement

1. Is it allowable to take a job candidate applying for a position on the project or visiting researcher collaborating on the project out to dinner for an interview or project related discussions?



**YES, IN PART** – The candidate or visiting researcher's meal could be paid under travel status. The cost of the meals for the Project Director and other CSUDH or Foundation employees are not allowable on the project, but may be allowable on other funding sources.

2. Is it permissible to charge the costs of providing refreshments and/or meals to the project during the conference on a federally sponsored project that requires coordinating and hosting a conference?

**YES** – The cost of meals/refreshments during a conference/seminar/meeting is allowable with a formal agenda and attendee roster noting the participants from different locations. These prospective expenditures should be included as part of the proposed budget submitted to the funding agency. Taking out of town participants out for meals, separate from the event, is not allowable.

3. A Project Director holds periodic meetings with co-directors/lab and other personnel to discuss the progress on a federally sponsored project. Can the cost of the meal be charged to the project?

**NO** – Routine meeting meal or refreshment costs are not allowable. The charge may be allowable as business meals on other funding sources.

4. When a Project Director is traveling to another state to visit with a subproject collaborator, is it allowable to take the collaborator to dinner and charge the meal to a federal project?

**YES, IN PART** – The CSUDH Project Director may charge a meal as a travel expense for their own meal. The cost of the collaborator's meal should not be charged to the federally sponsored project, but it may be an allowable charge on other funding sources as a business expense.

5. Is it allowable to charge food for an internal meeting of project co-directors within CSUDH at a local restaurant or as an internal catered event?

**NO** – Regardless of the location, meeting meal or refreshment costs for CSUDH personnel not in travel status are not allowable on a federal project. These charges may be allowable on other funding sources.

6. Some federal projects that require that investigators hold routine advisory committee meetings with various collaborators from all over the country or involve outreach with local organizations. Can the cost of foods/meals be charged to the projected?

**YES** - Assuming all documentation requirements are met, the cost of meals/refreshments during a conference/seminar/meeting with a formal agenda and participants from different locations is allowable.

**NOTE:** Taking out of town participants out for a meal, separate from the event, is not allowable.

## Independent Contractors & Consultants

### Determination Between Independent Contractor/Consultant and Employee

An independent contractor (IC) is an individual or organization, not affiliated with the University or the Foundation, 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 the Foundation 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 of the University or Foundation, offer their services to the general public, and pay for their own expenses. Independent Contractors should rely on their own tools, devices, expertise, computers, and 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 that 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 auxiliaries cannot act as independent contractors when performing services for sponsored projects.**

For compliance purposes, the Foundation uses a Checklist (found on Foundation website at [www.csudhfoundation.org](http://www.csudhfoundation.org)) of 20 factors to determine if a worker is an independent contractor or an employee. Failure of any one of the factors could move the worker to employee status.

### Selection of Contractor and Contracting

The Project Director is responsible for selecting the IC and determining fees. The Project Director must be able to certify that all services have been performed and are essential to the specific project. The Project Director must also certify that these services provided by the IC cannot be provided by persons receiving salary or other compensation by the University or the Foundation. The Project Director 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 Process Approval Form is to be completed along with a W-9 Form. The agreement must be fully executed on or before the date that the work begins. This means all parties (the contractor, the Project Director, and the CSUDH COO/CFO or designee have signed the agreement before the actual start date on the agreement). It is advised that the form be signed by the Contractor and Project Director along with the W-9, vendor data form, and any appropriate justifications be submitted to the Office of Post Award Management 2 weeks prior to the actual start date of the agreement so that the Human Resources, Post Award, and the COO/CFO have enough time to review and sign the agreement prior to the start of work.

In addition, with regard to contracting, the Foundation will not sign any agreement that indicates payment is due up front (i.e. 25% of contract payment due upon signing agreement). The Foundation will only pay for services satisfactorily completed and this does not include services for signing or completing the agreement. The Foundation's terms are net 30 and it generally will not sign any contract that has terms less than net 30.

### 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 and no less than quarterly. The Project Director is responsible for ensuring the IC's services are in line with and scope of work for the agreement. The Project Director will sign the invoice verifying they are satisfied with the services provided thus far and submit the signed invoice to Accounts Payable in SCC 202.

The Office of Post Award Management will review and approve for payment the invoices, at which time Accounts Payable 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. The Foundation will always hold normal business terms of Net 30. After all approvals are obtained and no issues arise, invoices will be paid within 10 days. For additional details, please refer to the Independent Contractor Hiring Packet on the Foundation website at [www.csudhfoundation.org](http://www.csudhfoundation.org).

## Sub-Recipients

### Definition of Sub-Recipient

A sub-recipient is a legal entity to which a sub-award is made and which is accountable to the Foundation for the use of the funds provided. Activities of a sub-recipient have 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 sub-recipients 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 Project Director 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-award agreement, the Project Director should complete the Purchase Order Form and submit it to the Office of Post Award Management.

In most, cases sub-agreements are set up yearly. In cases where a Project Director is given a multi-year award, the Project Director and Post Award Analyst should work together to 1) determine the continued use of the sub-recipient, 2) determine if any changes to the existing agreement are needed and 3) ensure timely submission of the subcontract form to Office of Post Award Management for submission and negotiations with the sub-recipient.

### Sub-Recipient Invoicing and Payment

Most sub-agreements will state invoicing should be completed no more than monthly and no less than quarterly. The sub-recipient is responsible for submitting invoices and any required deliverable reports or progress reports to the Office of Post Award Management at SCC 202 based on the terms and conditions of the sub-agreement.

Depending on the risk assessment of the sub-recipient, some sub-recipients may be required to submit additional financial supporting documents with their invoices. The Foundation will forward invoices to the Project Director for review and approval. It is the responsibility of the Project Director to review the invoice and deliverable/progress report to verify the sub-recipients progress is in compliance with the proposed scope of work. If the Project Director is satisfied with the invoice he/she will sign and return to SCC 202. The Post Award Analyst will review the financial portion of the invoice including any supporting documents applicable and either approve for payment or return to the Project Director or sub-recipient with concerns or issues.

The Foundation will always hold normal business terms of Net 30. After all approvals are obtained and no issues arise, invoices will be paid within 10 days.

### **Sub-Recipient Risk Assessment and Monitoring**

The Sub-Recipient Policy is to document the policy of CSUDH Foundation governing the collection of Uniform Guidance (formerly A-133) audit certification forms and, as necessary, the making of any subsequent management decisions related to the information disclosed during the certification.

The Office of Post Award Management:

- Conducts risk assessment using the risk assessment tool and classifies the sub-recipient into a risk category;
- Determines the monitoring activities according to the level risk assessed;
- Notifies the PI by sending a copy of the risk assessment; and
- Monitors invoicing activity based upon the terms and conditions of the sub-award agreement.

### **Uniform Guidance Audit Monitoring**

The Office of Post Award Management notifies the sub-recipient of the requirements for a Uniform Guidance audit within 90 days after the execution of the sub-award.

The sub-recipient submits audit certification within 90 days after the end of the sub-recipient's fiscal year.

The Office of Post Award Management reviews the submitted audit certification for audit findings. If there are audit findings, the COO/CFO will consult with the Project Director.

### **Community Relations/Hospitality and Meeting Expenses**

The Community Relations Policy provides definitions, guidelines, and methods for purchasing meals and items related to hospitality and meeting expenses.

Community relations 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 in advance 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 apply for 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 A-21 and Uniform Guidance; and
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 meeting including start and end time;
2. List of participants including work location of each participant (i.e. John Doe, CSU Fresno); and
3. Statement regarding the purpose, reasonableness, and necessity for the 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 if budgeted.
3. 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 of 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, then 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 Post Award Office 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; otherwise, they might bill based on the estimated quote which may be higher than the actual number of meals provided.

### Room Rental

If the meeting will not be held on campus, i.e. renting a conference room in a hotel, an agreement will usually be required by the hotel/property. This agreement must *always* need to be between the property and CSUDH Dominguez Hills Foundation and the signer must *always* be the Foundation's COO/CFO 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 CSUDH Dominguez Hills Foundation no less than 30 days prior to the event so that Post Award has adequate time to review and submit to the COO/CFO for review and signature.

### Methods to Purchase Meals or Other Community Relations Expenses

For approved catered events, Campus Dining must be used, unless a waiver is granted by the Director of Commercial Operations. In such a case, the vendor must be either already on the approved vendor list OR approved separately by providing the Post Award Office a copy of the vendor's business license and certificate of insurance prior to setting up any arrangements for catering.

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

1. Out of pocket expenses – If expenditures are made out of pocket, then 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 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. John Doe, CSU Fresno)
- 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 CSUDH Foundation to provide them a PO# before the event and bills CSUDH Foundation after the event is complete
- b. Obtain quote from the vendor
- c. Complete the Purchase Order Form
- d. Submit PO Form, quote, appropriate documentation for event/meeting to the Office of Post Award Management for approval
  - i. Such appropriate documentation for event/meeting includes flyer, tentative agenda, etc. stating when, where, and the purpose of such event/meeting
- e. If the Post Award Analyst 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 indicating the PO# to CSUDH Foundation to process payment

## Travel

### General Information

For allowable travel expenses, CSUDH Foundation follows the Foundation Travel Policy. The full Travel Policy is available on the website at [www.csudhfoundation.org](http://www.csudhfoundation.org).

Employees undertaking business-related travel are required to submit a Travel Authorization 30 days before travel to SCC 202. 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.

Uniform Guidance 2 CFR 200.474 stipulates that an individual's travel can only be paid on a federally-sponsored award if the participation of the individual is necessary for the award and costs are a direct result of the individual's travel for the federally sponsored award. Documentation should be maintained clarifying why the particular person is traveling, why the travel is necessary, and how it benefitted the project.

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

The CSUDH Foundation Travel Authorization Form serves as authorization for travel and needs to be completed, signed by all appropriate parties, and submitted to the Office of Post Award Management 30 days prior to travel. Authorizations to travel must be submitted to the Office of Post Award Management before any purchases for the travel (airfare, lodging, registration etc.) are made on their personal card. Failure to do so may result in non-reimbursement of expenses.

For personnel or students seeking an advance, the signed CSUDH Foundation Travel Authorization Form must indicate the account number, object code, and dollar amount requested for advance.

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 Project Director or any project staff is seeking foreign travel prior sponsor approval in writing is required to be sent to the Office of Post Award Management. Foreign travel must be made on an American carrier unless a foreign carrier is approved by the sponsor. In addition, the traveler must follow all University policies pertaining to international travel.

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

Travel reimbursement requests must be completed on the CSUDH Foundation Travel Claim 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. Project Director signs for project staff, chair or dean signs for Project Director).

No travel expense reimbursement shall be paid unless the employee has submitted an approved Travel Claim. Expenses should be properly itemized, accompanied by the necessary original invoices/receipts, and approved by the employee's supervisor or authorized account signer.

The signature of the account signer is responsible for ensuring funding availability, appropriateness of travel, demonstrable benefit to the Foundation and/or University, and for ensuring completeness of supporting expense documentation including a copy of the published agenda for attendance at any conferences/meetings.

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

1. Copy of Travel Authorization Form;
2. Original itemized receipts for meals (there is a maximum 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; and
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 and 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 a rare occasion for lost or missing receipts.

If a traveler decides to take personal days while on approved travel, these days must to be noted on the Travel Authorization Form (which should be completed 30 days prior to travel and a copy submitted to the Office of Post Award Management). In addition, the traveler should contact the Post Award Analyst immediately to discuss other procedures and policies while travelling if personal days plan to be taken as there are insurance and tax implications of such travel.

## Mileage

Before any CSUDH Foundation employee can claim mileage on a Sponsored Project, they must have a valid California Driver's License and shall have completed the University's Defense Driving Certification program. If the individual drives regularly as a component of their position, they must be enrolled in the Foundation's pooled driver monitoring program.

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

1. Complete the CSUDH Foundation Travel Form and attach a MapQuest, Yahoo, or Google Maps printout of directions for every location.
  - a. On the CSUDH Foundation 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.
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, 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 reimbursement no more frequently than monthly and no less than quarterly.

The following are applicable when calculating mileage:

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

The following example scenarios for travel and common travel questions and issues have been prepared based on feedback from individuals traveling on sponsored programs. They are intended to be a guide to assist you in understanding our travel regulations.

#### Example Scenarios

1. An employee is attending a conference and is seeking an advance for registration and airfare.
  - a. CSUDH Foundation employee will complete Section I of the 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 for the advance, at which point the employee will cash/deposit the check and purchase airfare and registration unless those costs are prepaid by the CSUDH Foundation.
  - c. Employee will keep all itemized original receipts.
  - d. Within 30 days of return from travel, the employee will complete the full CSUDH Foundation Travel Expense claim form, attach all itemized original receipts and other pertinent information as mentioned above, obtain approving signatures, and submit to SCC 202.

#### Frequently Asked Questions - Travel:

1. Can I buy my own meals and get reimbursed for those meals even if the conference provides them?

**ANSWER** - 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?

**ANSWER** - Speak with Post Award/Accounts Payable, but generally no. With the conference ending at noon, this gives enough time for you to fly home Thursday.

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 CSUDH Foundation 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?

**ANSWER** - 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?

**ANSWER** - Only one. There may be special circumstances, but generally only one.

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?

**ANSWER** - You will not be reimbursed any fees (i.e. change fees) unless there is a valid business reason to do so, 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.

**ANSWER** - Traveler would indicate on CSUDH Foundation Travel Form that personal days are going to be taken. 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 CSUDH Foundation.

Generally, the airfare will be cheaper coming home on Thursday, so CSUDH Foundation would only reimburse the cheaper cost.

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 travelling.

**ANSWER** - If a traveler is unable 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.

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 may only be reimbursed for approximately \$500 since the norm to fly across 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 may 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 CSUDH Foundation Travel form?

**ANSWER** - 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 printout 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 CSUDH Foundation Travel Form?

**ANSWER** - 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 CSUDH Foundation Travel Claim 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?

**ANSWER** - 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 the Foundation 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?

**ANSWER** - On the CSUDH Foundation Travel Authorization form, there is a section regarding who is to be charged. You would indicate the state side account to be charged and the amount you will be charging to the state side; and then indicate the project number under "CSUDH Funds" and the amount you will be charging to the sponsored project. Then once you return your entire expense claim form is submitted to Post Award where they will review, process, and bill the University.

For example, you estimate your travel to cost \$2000 and your department has committed to cover \$1200. During authorization, you would indicate your University (state side) department

code and then \$1200 and then your project number and \$800. Upon return your entire cost was only \$1900 the department would be billed the full \$1200 and CSUDH Foundation would pay the remaining \$700.

### Points to Remember for Travel Expenditures

1. Reimbursement of expenditures can be based on either actual expenses based on itemized receipts or per diem (whichever is lower).
2. Lunch per diem cannot be claimed on travel that does not exceed a 24-hour period.
3. If there are contract compliance limitations to the amount of per diem allowed to be claimed, the contract limitations will prevail.
4. For one-day trips, if the travel begins before 7 am and ends after 6 pm, per diem can be claimed for breakfast and dinner (but not lunch).
5. Mileage will be reimbursed on actual miles driven at a rate then in place by the Foundation or negotiated mileage rate stated in the approved contract, whichever is lower. Mileage claimed will be reviewed for reasonableness based upon the departure and destination indicated.
6. First-class airfares are not reimbursable, unless they are medically necessary.
7. All items of expense must be properly accounted for and accompanied by receipts. Items claimed which do not have itemized receipts will not be reimbursed.
8. When traveling internationally on a Federal grant program, you must fly a US Flag Carrier to the furthest point. If a US Flag Carrier is not available to the ultimate destination, a memo from the travel agency must accompany the Travel Authorization Form reimbursing for the airline tickets certifying that there are no US Flag Carriers that fly into that destination.
9. A detailed explanation of the purpose of the trip must be written in the application and dates of business box of the travel authorization form. If a conference was attended, we must have the conference agenda attached to the travel form.
10. All Travel Authorization Forms must be signed off by all parties being paid on the form. For example, if a number of students' hotel rooms are being paid by one Faculty member, all the students must sign a statement stating that they participated in the travel activities being reimbursed by to the person receiving reimbursement. This signed statement should be attached to the Travel Authorization Form prior to submission to Foundation.

11. When traveling in large groups, all Travel Authorization Forms must be submitted together.
12. For all travel involving CSUDH students that will be reimbursed from a Foundation account, the Student Release of Liability Form must be completed, signed and dated by the student, and attached to all Travel Authorization Forms submitted for reimbursement.

## Equipment

### Policy

It is the policy of the California State University, Dominguez Hills Foundation to establish a system to maintain, control, and protect the physical assets acquired through the Foundation. This policy seeks to record, control, and manage all existing Foundation assets and those assets acquired in the future.

### 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 the CSUDH Foundation. All equipment acquired through a grant/contract remains the property of the Foundation until the grant/contract has ended. In some instances, the sponsor may specify that any equipment purchased with sponsor funds remains 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 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-CSUDH students are paid in the same manner as student stipends. There is a difference in how the payment is reported to the individual for tax purposes.



### 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 CSUDH Students), and the Check Request Form. If the "Yes" box is checked off for CSUDH Student, the Office of Post Award 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 CSUDH 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. Foundation 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. Foundation 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-CSUDH/Foundation employee always involves services. A completed W-9 Form should be completed so that the Foundation 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 CSUDH Students), and the Check Request Form.

### Direct Costs & Indirect Costs/Facilities & Administration Costs (F&A)

The two major components of a budget are direct costs and facilities and administrative costs (indirect costs).

#### Direct Costs

Direct costs are costs that can be attributed to a specific sponsored project, instructional, or institutional activity, or can be directly assigned to such activities with relative ease and a high degree of accuracy.

#### Indirect Cost or Facilities and Administrative Costs (F&A)

Indirect costs (also known as Facilities and Administrative Costs, or F&A for short) are costs that cannot be attributed directly to a particular sponsored project, but rather are associated with general costs that can be combined with other costs normally supporting sponsored projects. Such costs may include general and sponsored program administration expenses, operation and maintenance, library and departmental administration expenses.

### Conclusion

We hope that this Project Director's Handbook has been helpful to you. The Foundation and University appreciate the service of our Project Directors on behalf of sponsored activities at California State University, Dominguez Hills. Project Directors serve a critical role in this important function at the institution, and it is the service of Project Directors that enables the institution to succeed in this area.

This Handbook is intended to provide an orientation to, and summary of, the major policies, procedures, and processes associated with grants and contracts administration at California State University, Dominguez Hills. It is not intended to be the only document that governs the administration of these activities, and there may be cases where external policies, governing law, and/or sponsor regulations conflict with this Handbook; in such cases, the external policies, governing law, and/or sponsor regulations more restrictive shall apply.

Project Directors are responsible for being familiar with, and in full compliance of, all CSUDH Foundation Policies. For full copies of all Foundation policies, please visit the Foundation website at <http://www.csudhfoundation.org>.