Definition

This policy specifies how the components outlined in Executive Order 890 are administered at CSU San Marcos. In the event that a given Contract or Grant contains terms and conditions that are not in conflict with but are more restrictive than those provided in this policy, the more restrictive terms and conditions of the Contract or Grant shall prevail.

Authority

Executive Order 890, issued under the authority of Section 2 of Chapter III of the Standing Order of the Board of Trustees with reference to Division 8 (commencing with Section 89000), Part 55, Chapter 7, Article 1 of the Education Code and Subchapter 6 (commencing with Section 42000) of Chapter 1 of Title 5 of the California Code of Regulations and related policies adopted by the Board of Trustees.

Executive Order 698, issued under the authority of Title 5, Division 5, Article 1, Subchapter 6, (42400 et seq) of the California Code of Regulations.

Scope

This policy and any related procedures apply to all auxiliary organizations and any faculty/staff/student of CSUSM engaged in applying for, and/or administering any grants, contracts, and sponsored projects.

Policies Superseded by this Policy

Externally Funded Grants, Contracts, and Special Projects (44558066);
Research and Educational Grant Applications (44558059.1)

Karen S. Haynes, President

Approval Date
1. **Definitions**

1.1 **Auxiliary** means an Auxiliary Organization as defined in Executive Order No. 698. By means of an Operating Agreement between California State University San Marcos and the California State University San Marcos Foundation, it is acknowledged that, with one exception, the CSUSM Foundation shall act as the administrator and financial liaison for all externally funded grants, contracts, and special projects. As an exception to this delegation, with the approval of the Chief Financial Officer, CSUSM Associated Students, Inc. (ASI) may administer externally funded grants, contracts, and special projects that were generated to benefit ASI programs. The CSUSM Foundation, and by exception, ASI Inc, will act as fiscal agent for awards and have responsibility for award compliance and financial administration, including determinations regarding overhead and administrative costs, within University policy and practice. The management of grants, contracts, and special projects will follow the procedures set by the CSUSM Foundation. All exceptions to this policy will require approval from the University's Chief Financial Officer/Vice President of Finance and Administrative Services.

1.2 **Contract** means an agreement between the Foundation, University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a *quid pro quo* relationship between the parties.

1.3 **Grant** means a financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually request an accounting of the use of funds and of results of the project or activity. The University, Foundation or Auxiliary may commit resources or services as a condition of the Grant.

1.4 **Principal Investigator** means the individual (whether referred to in the Contract or Grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsoring Agency to be responsible for ensuring compliance with the academic, scientific, technical, and for day-to-day management of the Sponsored Program. Financial and administrative aspects of the Contract or Grant are the joint responsibility of the Recipient and the Principal Investigator.

1.5 **Recipient** means the Foundation, University or Auxiliary awarded a Contract or Grant. The Recipient is the Foundation, University or Auxiliary, as the case may be, even if a particular component is designated in the award document, and shall not be an individual, department or other constituent unit.

1.6 **Sponsor** means the party paying for the services or other economic benefit under a Contract or providing the financial contribution for a project or activity under a Grant.
1.7 “Sponsored Program(s)” means all work performed under Grants or Contracts funded by non-CSU funding sources (including non-CSU-funded Contracts and Grants that are subsequently subcontracted to another campus).

1.8 “Sponsored Program(s) Administrator” means the entity (Foundation, University or Auxiliary) designated by the University to administer the Sponsored Program.

1.9 “Sponsored Program Records” include, but are not limited to, accepted proposals and applications; Contracts or Grant agreements; program reports and data; correspondence; budgets and supporting financial documentation; supporting human resources documentation; and other records relating to receipt, review, award, evaluation, status and monitoring of the Sponsored Program.

1.10 “Sponsored Program Work Product” means any work created in the performance of a Sponsored Program. Unless the Contract or Grant states otherwise, Sponsored Program Work product does not include journal articles, lectures, images, books or other works that are subject to copyright protection and have been created through independent academic effort and based on the findings of the Sponsored Program.

2. Sponsored Program Administration

2.1 Proposal Submission, Review, and Approval

2.1.1 Pre-Award Review and Approval of Proposal Submission. Proposals for Sponsored Programs shall not be submitted to the Sponsor without prior written approval of the president of the University or the president’s designee (the Associate Vice President for Research), the Chief Financial Officer or their designee (Associate Vice President for Finance and Business Services) and the Foundation Executive Director or their designee (Director, Finance and Business Services). Written approvals shall be obtained on the Sponsored Projects Approval Form (SPAF), once all other appropriate campus reviews and approvals have been documented via signatures on the SPAF.

2.1.2. Pre-Acceptance Approvals. Awards of Contracts or Grants shall not be accepted without prior written approval by appropriate officials of the Foundation, University and Auxiliary responsible for the following areas, if applicable: (a) academic/programmatic; (b) fiscal; (c) health and safety; (d) human and animal subject research; (e) space; (f) major technical resources and equipment; and (g) risk management.
2.1.3. **Notice.** The Sponsored Projects Approval Form shall provide notice to all personnel responsible for the preparation of proposals and applications for Sponsored Programs that, if awarded, the Recipient of the Contract or Grant shall be the Foundation, University or Auxiliary and not an individual, department, or other constituent unit.

2.1.4. **Amendment of Contract or Grant.** Amendments and modifications to Contracts and Grants require the approval of only the Foundation Executive Director or designee unless the amendment involves a significant change in scope, or requires additional commitment, cost or risk to the University. Submission of amendments and modifications, which contain any of the items listed above, must be preceded by the completion of a new Sponsored Projects Approval Form.

### 2.2 Performance of Grants and Contracts

2.2.1. **Administration of Sponsored Programs.** The Foundation shall be the Sponsored Program Administrator on all Contracts and Grants, except as noted in 1.1. Other exceptions may be granted, on a case by case basis, by mutual written approval of the President of the University or designee (the Associate Vice President for Research), the Chief Financial Officer or designee (Associate Vice President for Finance and Business Services) and the Foundation Executive Director or designee (Director, Finance and Business Services). The Foundation, in conjunction with the Principal Investigator, is legally responsible and accountable to the Sponsor for the use of funds provided and the performance of the Sponsored Program.

2.2.2. **Master Agreement between University and Auxiliary for Administration of Sponsored Programs.** A Master Agreement has been executed between the University and the Foundation, effective 5/1/04 through 6/30/09, designating the Foundation as the Sponsored Program Administrator for the campus.

2.2.3. **Implementation Plan.** The implementation, operational and retention procedures for all Contracts and Grants are detailed in *Principal Investigator / Project Director Manual*, available on the Foundation web-site. These procedures augment, and accept responsibility for the enforcement and implementation of the policies and procedures specified in the Sponsoring Agency Contract or Grant agreement and by the California State University.
2.3 Human Resources Policy

2.3.1 Principal Investigator(s).

2.3.1.1. The qualifications of a Principal Investigator shall include employment by the Foundation or University. Limited exceptions may be allowed for the appointment of Principal Investigators who are not employees of the University or Auxiliary, but who are officially affiliated with the University, such as individuals with emeritus status or visiting professors or researchers, as recommended by a dean or director following appropriate consultation, and as approved by the Associate Vice President for Research.

2.3.1.2. In the case where the incumbent Principal Investigator resigns, becomes incapacitated, or fails or refuses to perform the duties adequately, the Principal Investigator’s responsibilities may be reassigned by the Associate Vice President for Research, in consultation with the Foundation and with the Sponsor.

2.3.1.3. When projects call for the distribution of responsibilities among Principal Investigators for multi-institutional Sponsored Programs, these responsibilities shall be clearly specified in the Grant or Contract proposal, shall be agreed upon in advance by the Principal Investigators, and approved by appropriate campus and Foundation authorities.

2.3.1.4. The normal responsibilities of Principal Investigators shall include the responsibility to be informed about and comply with relevant policies and procedures established by the University, the awarding agency, and the Foundation; to seek assistance from staff in the University Office of Research and from the Foundation’s Grants and Contracts Office in preparing proposals and carrying out projects. Principal Investigators shall effectively train and supervise project personnel. Principal Investigators are responsible for the programmatic conduct and management of the project; for preparation of the required technical reports; and for completing the project in a diligent and professional manner. Jointly with Foundation personnel, Principal Investigators are responsible for assuring that contractual/award terms and conditions are met; that the project stays within its budget; and funds are utilized pursuant to awarding Sponsor’s regulations and prevailing cost principles.

2.3.2 Employer. The Foundation shall be the employer of the Principal Investigator and other employees with regard to work performed in furtherance of each Sponsored Program, including Principal Investigators appointed by limited exception per 2.3.1.1.
The Foundation shall be responsible for the assignment, evaluation, and termination of Sponsored Program employees, working with the Associate Vice President for Research when the employee is also a University employee, and for other employer obligations associated with the performance and payment under the Sponsored Program. This applies regardless of whether the employee is being paid directly by the University or Auxiliary or whether the University is being reimbursed by the Auxiliary for agreeing to reassign an employee from selected University duties in order to work on the Contract or Grant.

2.3.3 **Additional Employment.** Additional employment through Contracts and Grants is subject to the Foundation’s Additional Employment and Overload Guidelines and Procedures and Chancellors Office Coded Memorandum HR 2001-28, which provides a framework within which employees may be appointed for more than full time, and establishes the total amount of employment an individual may have with the California State University (CSU).

2.3.4 **Misconduct.** The CSUSM procedure, Misconduct in Scholarship and Research, is the campus policy approved by the Office of Research Integrity within the U.S. department of Health and Human Services for processing complaints of research misconduct. Other employee misconduct in connection with Sponsored Projects shall remain subject to consequences for unprofessional behavior, failure or refusal to perform duties adequately, or other misconduct within the administration of the Sponsored Program and to the University’s discipline system.

2.3.5 **Conflict of Interest.** The Foundation Conflict of Interest Policy for Grants and Contracts specifies procedures to ensure that no potential or real conflict of interest adversely affects the administration of grants and contracts. The Sponsored Projects Approval Form requires the Principal Investigator to review the policy and to signify acceptance of the conflict of interest regulations.

2.3.6 **Nepotism.** No employee working on Sponsored Programs shall vote, make recommendations, or in any way participate in decisions about any personnel matter which may directly affect the selection, appointment, retention, tenure, compensation, promotion, other employment status or interest of a close relative. A relative is defined as husband, wife, mother, father, son, daughter, sister and brother.

2.4 **Academic Policy**

2.4.1 **Conduct of Research.** The Associate Vice President for Research, with assistance from the Foundation, is responsible for providing oversight of the conduct of research and ensuring progress toward fulfillment of Contract or Grant requirements.
2.4.2 Human Subjects Research. The CSUSM Policy on Research Activities involving Human Subjects governs the protection of the rights and welfare of human subjects in research in which the institution is engaged. CSUSM maintains a Federal-wide Assurance approved by the office of Human Research Protections of the United States Department of Health and Human Services. The campus maintains an Institutional Review Board (IRB), appointed by the president or designee (the Associate Vice President for Research), and includes one Foundation representative, to ensure adequate review of research protocols involving human subjects. The University is responsible for ensuring that these protocols are followed. Campus procedures provide for adequate training of research personnel and for multi-institutional Sponsored Programs engaged in human subjects research.

2.4.3 Animal Subjects Research. Cal State San Marcos maintains procedures for the procurement, housing, care, and use of live non-human vertebrate animals in Sponsored Program research, in instruction and research by employees of the University or Foundation in the regular course of their employment, in research by students in satisfaction of University requirements, and in research or instruction using any University property or facility. These campus procedures provide for adequate training for research personnel and are consistent with the Guide for the Care and Use of Laboratory Animals (Institute for Laboratory Animal Research, Commission on Life Sciences, National Research Council), requirements of the United States Department of Agriculture and regulations implementing the Animal Welfare Act as amended, other applicable laws and regulations, and, as appropriate, provisions of the United States Public Health Service Policy on Humane Care and Use of Laboratory Animals. The president or designee (the Associate Vice President for Research) is authorized to take appropriate action to implement regulations required by funding and regulatory agencies on the care and use of animals in research and instruction. Cal State San Marcos maintains an Institutional Animal Care and Use Committee (IACUC), appointed by the president or designee (the Associate Vice President for Research), and includes one Foundation representative, to ensure adequate review of animal facilities, procedures, and research and teaching protocols, and the University is responsible for ensuring that these protocols are followed.

2.5 Fiscal Administration

2.5.1 Budget. The Foundation is responsible for final certification of project budgets, pre-award and post-award, and budget change review procedures (as specified in 2.1.4). Pre- and Post-award budget procedures are detailed in the Principal Investigator / Program Director Manual, located on the Foundation web-site. The Principal Investigator of the Contract or Grant and the Foundation are responsible for executing the project in conformance with the approved budget. Pre-award disbursements are
allowed, on a case-by-case basis, if the awarding agency policies and procedures permit and the following steps are completed:

2.5.1.1. Pre-award disbursement is required for the proper and timely execution of the award objectives, as determined by the Foundation.

2.5.1.2. Verbal, electronic or written confirmation, from the Sponsor, of the pending award is obtained by the Foundation for competing applications and proposals. Progress and other required reports have been filed in a timely fashion for non-competing applications and proposals.

2.5.1.3. The Project Agreement Form (located on the Foundation web-site) is fully executed.

2.5.1.4. Disbursement is executed by an authorized signatory on the Contract or Grant and the Foundation. Disbursement must be processed according to the Foundation Procurement Policy and Procedure for Purchase Orders, Check Requests and Petty Cash.

2.5.2. **Account Management.** The Foundation is responsible for the timely establishment of accounts pursuant to the guidelines delineated in the Foundations Principal Investigator / Program Directors Manual. All expenditures will be according to Foundation, University and Sponsoring agency guidelines, policies and procedures. All accounting and control of cash receipts from Contract or Grant billings are maintained on a fund accounting basis and are in accordance with Generally Accepted Accounting Principals, prevailing OMB Circulars, Sponsoring Agency terms and conditions, University policies and procedures and Foundation policies and procedures. All Contract and Grant expenditures require the written authorization of the Principal Investigator / Program Director or designee and the Foundation, and must be submitted on appropriate Foundation forms. Reimbursement for personal expenditures by the Principal Investigator / Program Director will be approved in accordance with the University and the Foundation “one up” rule. Authorization of a designee by the Principal Investigator / Program Director will be done in writing on the Foundation’s Project Agreement Form. The Principal Investigator / Program Director signature on expenditures certifies program appropriateness and compliance with the approved budget and the Foundation signature certifies availability of funds and compliance with the Sponsoring Agency terms and conditions. The Foundation is responsible for the accurate and timely financial reporting for each Contract or Grant. The Principal Investigator / Program Director is primarily responsible for the timely submission of Technical and Project Progress Reports. The Foundation will monitor the submission of Sponsoring Agency required Technical and Project Progress Reports. Detailed procedures and policies are contained on the Foundation web-site.
2.5.3. **Fiscal Reporting.** The Foundation shall ensure that all fiscal reports (including final reports) and billings are prepared and submitted, on a timely basis, to Sponsors in accordance with the terms and conditions of the Contract or Grant.

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

2.5.5. **Cost Sharing.** The Foundation’s Cost Sharing Guidelines document governs the commitment and documentation of cost sharing arrangements.

2.6 **Sponsored Program Work Product and Records.**

2.6.1 **Work Product and Records Policy.** All Sponsored Work Products and Sponsored Program Records are the property of the University and the Foundation. Such property will be maintained in a secured fashion and retained for the period specified by the Sponsoring Agency. The Principal Investigator / Program Director will be notified of the retention requirements at the beginning of the project via the Grant Analysis Form pursuant to the Foundations Principal Investigator / Program Directors Manual.

2.6.2 **Records Retention.** All records pertaining to a Sponsored Program will be maintained for a minimum period of three years, commencing with the submission of the Final Technical and Financial Reports. Should a longer period be required by a Sponsoring Agency, this information will be contained on the Grant Analysis Form and the Closeout Checklist. All records should be properly disposed of at the conclusion of the retention period unless they have historical value or are the subject of pending or issued intellectual property issues.

3. **System Office Role/Responsibility**

3.1 **Legal Advice.** Legal advice concerning Contract or Grant administration that might affect the CSU or the University must be coordinated through the CSU Office of General Counsel.