511-001-C: MANAGEMENT OF SPONSORED PROGRAMS POLICY

I. Purpose
California State University, Monterey Bay ("CSUMB" or "University") and its auxiliary, the University Corporation at Monterey Bay ("University Corporation") recognize that grants and contracts are an important means for campus personnel to pursue scholastic, research, and creative/educational activities that will enable them to:

• Remain current in their disciplines,
• Enrich their teaching or further their professional development,
• Contribute knowledge to their fields, and
• Obtain resources for the University or the local community.

CSUMB and the University Corporation encourage and support the pursuit of grants and contracts to fund these activities. This policy provides the framework for the process of pursing grants and contracts while ensuring the University Corporation’s and CSUMB’s compliance with state and federal law, California State University (“CSU”) Executive Orders, collective bargaining agreements, granting agency requirements, and other University Corporation and CSUMB policies.

II. Authorization
The guidelines and procedures set forth in this policy are in fulfillment of CSU Executive Order No. 890, Administration of Grants and Contracts in Support of Sponsored Programs.

III. Roles and Responsibilities

A. University Corporation of CSUMB: The University Corporation shall act as the administrator and financial liaison for all externally funded grants. The University Corporation will act as fiscal agent for awards and their amendments and have responsibility for award financial administration, within policy and practice. The management of grants and contracts will follow the procedures set by the University Corporation, as appropriate.

The University Corporation is legally responsible and accountable to the Funding Agency for the use of the funds provided and the performance of the grant or contract. In order to meet these obligations, the Director of Sponsored Programs Offices is authorized by the University Corporation Board of Directors to act on behalf of the University Corporation to accept grants and contracts awarded by private agencies and federal, state, and local government agencies. The University Corporation is the contracting agency subject to audit and review by
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these granting agencies and is therefore responsible for the proper expenditure of funds and submission of timely and accurate financial reports.

All exceptions to this policy will require approval from the University’s Chief Financial Officer/Vice President for Finance and Administration or the Provost/Vice President for Academic Affairs and their designees.

B. Sponsored Programs Office: The Sponsored Programs Office ("SPO") office is delegated responsibility for pre-awarding activities by the President under the authority of CSU Executive Order No. 890 and the University Corporation. Responsibilities include but are not limited to:

1. Approve the submission of proposals or requests for funding of research or other special educational projects to sponsoring federal or state agencies, public or private corporations, and private University Corporations on behalf of the University Corporation after the required review and approvals on the required Proposal Routing Form.
2. Assist the Project Director/PI in complying with applicable CSU, University Corporation, and CSUMB policies and regulations prior to the proposal being submitted to the receiving agency.
3. Assurance that proposals have been routed for administrative review prior to submission.
4. Advise the CSUMB academic community of grant and contract opportunities. Assist faculty in the development of contract and grant proposals including editing of the proposal narrative, preparing the budget, completing required agency forms, and fulfilling the prospective sponsor’s requirements.
6. Serve in the capacity of CSUMB’s Authorizing Official (authorized organizational representative) for providing contracting and granting agencies assurances such as drug-free workplace, lobbying, vendor debarment, equal opportunity, and other related documents required by contracting and granting agencies following the award.

C. Project Director ("PD")/Principal Investigator ("PI"): (See 521-001-A: Policy on Project Director’s Duties and Responsibilities)

1. Complete a Fund Solicitation Concept Form for each new funding idea.
2. The Project Director/PI is responsible for the development of proposals in compliance with CSU, CSUMB, University Corporation and funding agency policies, procedures and requirements. The PD/PI is required to follow the University Corporation and University’s policies and procedures related to grants and contracts.
3. PDs/PIs proposing multi-institutional projects shall ensure receipt of completed and authorized proposals from proposed sub-recipients prior to their inclusion in the proposal submission.

4. Assurance that the department’s Chair/Director and Dean/AVP have reviewed the proposal and that the Proposal Routing Form is fully signed by the time the proposal must be submitted.

5. Assurance that the PD/PI will notify SPO of any notice of funding award.

6. In the case of the incumbent PD/PI’s resignation, incapacitation, or failure or refusal to perform the duties adequately, the Dean or appropriate administrator shall reassign the PD/PI’s responsibilities.

7. The PD/PI is responsible for meeting the program and financial goals and objectives of the grant as well as the technical reporting requirements of the grant or contract.

D. Chair/Director: Assurance that the Dean/Appropriate Administrator has been provided with recommendations related to the proposal’s academic, financial, compliance and facilities impact on the department/office.

E. Dean/Appropriate Administrator:
   1. Assurance that the college has identified resources, including space and utilities, required to meet project deliverables and assumes all obligations for providing identified resources.
   2. Approval on behalf of the college for faculty and staff time commitments detailed in the proposal.
   3. Assurance that the proposal, including narrative, budget and cost share commitment(s), where applicable, are consistent with the school’s goals, University’s mission and funding agency’s requirements.
   4. Assurance that potential conflicts with other colleges and departments have been identified and mitigated or eliminated.
   5. In the case of the incumbent PD/PI’s resignation, incapacitation, or failure or refusal to perform the duties adequately, the Dean/Appropriate Administrator shall reassign the PD/PI’s responsibilities.

F. University Advancement:
   1. Coordinate all private, corporate and University Corporation grants.
   2. Assurance that the proposal meets all requirements related to private grants and sponsor.
   3. Advise the CSUMB academic community of private grant opportunities.
   4. Assist faculty in the development of private grant proposals including editing of the proposal narrative, completing required agency forms, and fulfilling the prospective sponsor’s requirements.

G. Chief Information Officer/Vice President for Finance and Administration: Assurance that the CIO has assessed the impact of the proposal on campus technology and infrastructure.
H. President or Designee (Provost/Vice President for Academic Affairs): Approval of the overall campus academic, compliance and fiscal aspects of the contract or grant proposal.

I. Chief Financial Officer/Division of Administration and Finance: Responsibilities include but are not limited to:

1. Review and approval of the overall campus fiscal, human resource, logistical and facility maintenance aspects of a grant or contract proposal.
2. Delegated responsibility for post-award accounting, purchasing, facilities, risk management, health and safety and Human Resources activities under the authority of CSU Executive Order No. 890.
3. Provide contractual, procurement, and fiscal services including disbursement, billing and reporting.

IV. Applicability
This policy is applicable to all University Corporation grants and contracts on behalf of the University.

V. Terms and Definitions

A. Assurances: Certifications of compliance with federal or state regulations that include such issues as the use of humans in research, maintenance of a drug-free workplace, and disclosure of scientific misconduct. Such assurances are often required when applying for government funding and must be signed by the University Corporation’s Authorizing Official.

B. Budget: The financial plan or cost assessment for the grant proposal or contract, reflecting all costs associated with implementation of the project in compliance with sponsor guidelines, government regulations, and CSU, University Corporation and CSUMB policies.

C. Contract: A legally enforceable commitment to deliver a product, usually goods or services, by a certain date. Contracts are subject to an extensive body of law and regulations; authorization to sign a contract is limited to key authorized personnel.

D. Cost-Sharing: The University Corporation/CSUMB’s support of a project through either cash or in-kind services. Cost sharing requirements vary but generally represent a percentage of the total project cost. (See 561-001-A: Cost Share Policy)

E. Direct Costs: All costs that can be directly attributed to the conduct of the project and are specified in the proposal budget, excluding overhead or other indirect costs.
F. **Grant**: Provision of property or funds in support of an activity outlined in a proposal describing project goals, objectives, activities, personnel, and budget. Grants are usually from federal, state, local, University Corporation, or corporate entities.

G. **Grantee**: The entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity. For purposes of this policy, the grantee is the University Corporation.

H. **Indirect Costs (“IDC”)**: Also known as Facilities and Administrative (“F&A”) costs. Costs incurred by an institution in supporting projects funded by grants and contracts from outside agencies. These costs include general and departmental support and the use of University services such as libraries, laboratories, classroom facilities, computer centers, and utilities. They also include essential administrative services including accounting, personnel, payroll, accounts payable, accounts receivable, specialized insurance coverage, compliance and regulatory monitoring, independent audits, and legal services.

I. **Project Director (PD)/Principal Investigator (PI)**: The designated tenured or tenure-track faculty, or designated employee of the University or University Corporation who is responsible for a funded project. Faculty on FERP may apply for or serve as sole Project Directors on grants only where the grant can be accomplished during their period of employment under FERP and within the FERP appointment. Appointment in addition to the FERP appointment to accomplish the work of a grant is prohibited in accordance with the provisions of the collective bargaining agreement covering faculty. In addition, at the approval of the Provost/Vice President for Academic Affairs, persons who are not employees of either the University or its auxiliaries may be designated as a Project Director of a project.

J. **Proposal**: A written statement establishing the objectives, need, methodology, qualifications of investigator, and budget plan for a project.

**VI. Indirect Costs (Facilities and Administrative Costs)**

(See 531-004-A: Facilities and Administrative Costs Policy)

It is the practice of the University Corporation to apply the maximum indirect cost (“IDC”) rate allowed by the funding agency. At a minimum, the PD/PI is to apply the University Corporation’s federally negotiated IDC rate (a percentage of salaries, wages and fringe benefits) or an established percentage of modified total direct project costs that varies depending on the rate permitted by the funding source, the importance of the project to the University/University Corporation, and the University Corporation’s determination of the costs of administering the grant or contract. Exceptions are to be approved by the college/responsible department, SPO and the Provost/Vice President for Academic Affairs.
VII. Proposal Approval and Submission
(See 511-003-A: Policy on Approval and Submission of Proposals and Acceptance of Externally Funded Awards)

A. Review and Approval: All proposals for externally funded projects that will be conducted under the auspices of the University Corporation must undergo administrative review prior to submission, including:

1. Approval of the appropriate department chair(s)/director(s)
2. Approval by the appropriate college dean(s) or Appropriate Administrator(s)
3. University Advancement for private grants
4. SPO for budget and compliance review
5. Approval by the Chief Financial Officer/Vice President for Administration and Finance and the Provost/Vice President for Academic Affairs
6. Approval by the Provost/Vice President for Academic Affairs (President’s designee)

Additional reviews from the following departments may occur after the proposal has been submitted:

1. Information Technology department review of the proposal’s impact on campus technology infrastructure
2. Environmental Protection, Health and Safety
3. Other departments affected by the proposal

B. Authorized Signatures: Any Institutional proposal for external funding, grant, contract or assurance required by granting and contracting agencies must be signed by the University Corporation’s designated Authorizing Official. The Director of SPO is the authorized representative on behalf of grants and contracts for the University Corporation.

C. Approval of Use of Human Subjects in Research: (See “Human Subjects in Research Policy”) All projects entailing the use of human subjects in research – including interviews, questionnaires, surveys, observations, education tests, and secondary analysis of previously collected data for “generalizable knowledge” – must be reviewed and approved by the University’s Committee for the Protection of Human Subjects prior to initiation of the project. Depending upon the perception of potential risk and/or sponsor requirements, initiation of the approval process may be required prior to submission of the proposal.

D. Animal Welfare: All projects entailing the use of animal subjects in research must be reviewed and approved by the University’s Institutional Animal Care and Use Committee (IACUC) prior to initiation of the project. Depending upon sponsor requirements, initiation of the approval process may be required prior to
submission of the proposal. An agreement is in negotiation with San Jose State University to review CSUMB’s Animal Welfare applications. In the absence of this agreement, no animal welfare research shall be conducted by CSUMB until the University establishes policy and procedures related to Animal Welfare.

E. Health and Safety: All projects requiring the use of hazardous materials and/or equipment requiring special safety measures or training must be reviewed by the University’s Director of Environmental Protection, Health and Safety.

VIII. Administration of Grants and Contracts
(See 511-003-A: Policy on Approval and Submission of Proposals and Acceptance of Externally Funded Awards)

A. Acceptance of Awards:

1. The University Corporation shall act as the administrator and financial liaison for all externally funded grants. The University Corporation will act as fiscal agent for awards and their amendments/modifications and have responsibility for award financial administration within policy and practice. The management of grants and contracts will follow the procedures set by the University Corporation, as appropriate. All exceptions to this policy will require approval from the University’s Chief Financial Officer/Vice President for Administration and Finance or the Provost/Vice President for Academic Affairs.

2. In the administration of grants and contracts, the University Corporation is obligated to conform and comply with all relevant federal and state statutes and regulations, and all directives issued by the University, the CSU Board of Trustees, and the Office of the Chancellor. The University Corporation is legally responsible and accountable to the Funding Agency for the use of the funds provided and the performance of the grant or contract.

3. In order to meet these obligations, the Director of Sponsored Programs Office is authorized by the University Corporation Board of Directors to act on behalf of the University Corporation to accept grants and contracts awarded by private agencies and federal, state, and local government agencies. The University Corporation is the contracting agency subject to audit and review by these granting agencies and is therefore responsible for the proper expenditure of funds and submission of timely and accurate financial reports.

4. Once the award notification (i.e., grant award, agreement or contract, purchase order, or letter of intent, amendment/modification, etc.) is received, it must be reviewed and accepted by SPO prior to commencement of work on the project. University Advancement must also review and approve all private award grants. SPO will coordinate the review and approvals of other departments on campus as needed. SPO
shall work with University Corporation Grants Accounting and the Project Director/PI in the processing of the award in a timely manner.

B. Misconduct in Research:

1. Misconduct in research is the fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the research community for proposing, conducting, or reporting research. Included is retaliation of any kind against a person who reported or provided information about suspected or alleged misconduct and who has not acted in bad faith. It does not include honest error or honest difference in interpretations or judgments of data.

2. The University Corporation shall follow the policy and procedures of the University as established.

C. Ownership, Custody and Retention of Sponsored Programs Office Records:

1. Ownership: Unless the contract or grant specifies to the contrary, the University Corporation shall own the records relating to the sponsored program. To the extent possible, contracts or grants that provide for ownership by or license to any person or entity other than the University Corporation/CSUMB shall provide the University Corporation/CSUMB the right to access and use those records for purposes consistent with the educational mission of the University Corporation/CSUMB.

2. Pre-Award Custody and Retention: The SPO office shall retain custody of the following records for the periods of time noted:
   a. Original copies of Institutional Approval Forms, submitted proposals and related documentation shall be retained until such time as a funding decision is made when it shall be retained in the award file. If the proposal is not funded, the original shall be retained by SPO for three years.
   b. All records related to the Rights of Human Subjects in Research including but not limited to completed applications, minutes of Institutional Review Board Meetings, and all documentation filed with the Department of Health and Human Services Federal-wide Assurance for Protection for Human Subjects filings shall be retained for five years.

3. Conflict of Interest: Conflict of interest forms for external funding shall be retained by University Corporation Human Resources for three years.

4. Post-Award Custody and Retention: The Division of Administration and Finance and SPO shall retain custody of the grant and contract business documents; contracts, invoices, agency funding reports, and other such documents according to the following priority scheme:
   a. Individual granting agency specific requirements.
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5. Retention Extension: Records shall be kept for a period no longer than three years past the project’s official close-out unless:
   a. Specific directions are set forth in the contract or grant requiring a longer period of time. The University Corporation will retain and allow public access to all financial records, supporting documentation, statistical records, and evaluation and program performance data for the time specified by the Grantor.
   b. The records are the subject of a pending audit or litigation.

D. Employer:

1. Project personnel are employees of the University Corporation, making the University Corporation legally responsible for meeting federal and state laws and regulations governing all aspects of employment. All recruitment and appointment activities must adhere to University Corporation policies and procedures. In hiring, managing, paying, evaluating and terminating employees, Project Directors/PIs must work within the University Corporation personnel policies and confer and cooperate with the University Corporation Human Resources Manager in all matters related to personnel.

2. The above applies regardless of whether the employee is being paid directly by the University or the University Corporation or whether the University is being reimbursed by the University Corporation for agreeing to release an employee from selected University duties in order to work on the grant or contract.

3. University Corporation Human Resources and University Academic Personnel shall monitor the additional employment per CSU and CSUMB policy.

E. Fiscal Administration:

1. Budget: Each accepted grant or contract award must have an approved project budget, which includes direct and indirect costs as well as cost-shared costs if applicable. Changes in a project’s budget must be approved by the University Corporation and may also, in some cases, require prior consent of the funding source. (See 531-001-A: External Funding Budget Policy)

2. Direct Expenditures: All grant and contract expenditures must be in compliance with federal, state, and local government laws, rules and regulations as well as CSU, University Corporation, and University policy and procedures. When there is a discrepancy between the guidelines of the funding agency and the University Corporation, the guidelines that are more restrictive shall govern. All expenses related to a grant or contract shall be reviewed and approved by SPO. (See 531-003-A: Allowable Costs/Expenditures and Post-Award Administration for Grants & Contracts Policy)
3. **Procurement**: Disbursements and acquisition of contractual services, supplies and equipment must follow University Corporation procurement policies and procedures as well as any specific requirements of the granting agency. (See University Corporation Procurement Guidelines and Procedures)

4. **Travel**: Travel and reimbursement for travel that is authorized and funded by a sponsored project shall follow all University Corporation travel policies and procedures. (See 361-001-C: Travel Policy)

5. **Cost Sharing**: All sponsor-required cost sharing must be accounted for and documented in the same detailed manner as sponsor-funded costs. (See 561-001-A: Cost Share Policy)

6. **Effort Reporting**: All externally funded effort must be documented according to the Effort Reporting Policy. (See Effort Reporting Policy)

7. **Financial Reports**: All invoicing and financial reporting for grants and contracts shall be done by University Corporation Accounting as required under the terms of the award and University Corporation policies and procedures. (See 511-005-A: Grants & Contracts Reporting Policy)

F. **Close-Out**: The Project Director/PI shall order, receive and use all items paid for with project funds within a reasonable amount of time prior to the project end date, unless special circumstances occur. The Project Director/PI will facilitate the close-out process in a timely manner including the processing of necessary adjustments, cost share documentation and final reports. SPO will assist the Project Director/PI with the programmatic close-out of each award. University Corporation Grants Accounting will facilitate the financial close-out period and process each award based upon terms and conditions.

**IX. Adoption and Review**

A. The University Corporation’s Board of Directors has adopted this Management of Sponsored Programs Policy, dated 17 June 2004. The University Corporation’s Board of Directors has adopted this Management of Sponsored Programs Policy-B, dated 24 June 2010.

B. This policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

Any proposed amendments or variations of this policy would require a majority approval by the University Corporation Board of Directors.

**X. Related Documents**
511-001-C: MANAGEMENT OF SPONSORED PROGRAMS POLICY

A. CSU Executive Order No. 890, Administration of Grants and Contracts in Support of Sponsored Programs
B. 511-003-A: Policy on Approval and Submission of Proposals and Acceptance of Externally Funded Awards
C. 511-005-A: Grants & Contracts Reporting Policy
D. 521-001-A: Policy on Project Director’s Duties and Responsibilities
E. 531-001-A: External Funding Budget Policy
F. 531-003-A: Allowable Costs/Expenditures and Post-Award Administration for Grants & Contracts Policy
G. 531-004-A: Facilities and Administrative Costs Policy
H. 561-001-A: Cost Share Policy
I. Human Subjects in Research Policy (CSUMB Policy)
J. Effort Reporting Policy