521-001-C: POLICY ON THE DUTIES AND RESPONSIBILITIES OF A PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR

I. Introduction
California State University, Monterey Bay (“CSUMB” or “University”) encourages campus personnel, especially faculty, to seek external funding and engage in projects related to the mission and goals of the University. In particular, CSUMB supports seeking funds for projects that further faculty development, provide students with opportunities, secure equipment and otherwise provide additional resources for the campus. The efforts in engaging in such activities are important to the University, and the time and energy involved in these endeavors are appreciated.

The University Corporation at Monterey Bay (“University Corporation”) shall act as the administrator and fiscal liaison for all external funded projects on behalf of the University.

While involved in these efforts, it is important to know that Project Directors/Principal Investigators (“PD/PIs”) assume a number of duties and responsibilities. The following presents a listing of those considered of special significance.

II. Policy
The intent of this policy is to set forth guidelines, general rules, and procedures that must be following in conducting externally funded projects through the University Corporation of CSUMB as the recipient for all external funding on behalf of CSUMB.

PD/PIs have the responsibility to be informed of all matters contained in this policy, to ask questions and request assistance from Sponsored Programs Office (“SPO”) staff in carrying out projects and to effectively train and supervise project personnel about those matters that are appropriate for each employee to know and follow.

PD/PIs operate under the supervision of the department chair and the college dean or other administrative unit supervisor. It is the PD/PI’s duty to continuously exercise responsible judgment in the administration of the project.

Once an award is received or a campus program account is established, PD/PIs assume primary responsibility for the technical (or programmatic) conduct and management of the project to assure that contractual/award terms and conditions are met and to make certain that the project stays within its budget.
521-001-C: POLICY ON THE DUTIES AND RESPONSIBILITIES OF A
PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR

Please note that cost overruns or deficits in grant/contract and campus program
accounts are the responsibility of the PD/PI and his/her department/college or other
“home” administrative unit.

III. General Responsibilities
In conducting a funded project or operating under a campus program account, PD/PIs
should keep the following in mind.

A. Award Documents/Contracts/Legally Binding Agreements: The University
Corporation is the legal recipient of all contracts or award documents. Thus, such
legally binding documents must be reviewed and signed by a SPO/University
Corporation authorized signatory.

Other types of legally binding agreements include leases, facility rentals,
independent contractor agreements or other agreements that invoke risk or
liability to the University Corporation. Any such documents need to be brought
to the attention of SPO for review, approval and signature in a timely manner.

B. Fiduciary Responsibility: The University Corporation has entrusted to PD/PIs,
SPO and University Corporation Grants Accounting the fiduciary responsibility
for externally funded projects. Therefore, PD/PIs and SPO staff needs to work
closely together in proposing, negotiating and conducting sponsored projects.

C. Audits: Please keep in mind that the University Corporation undergoes an annual
fiscal and general compliance audit and is subject to numerous other types of
audits conducted by funding agencies and Federal and state governments. The
University Corporation, thus, is required to meet generally accepted accounting
standards and other compliance requirements in the expenditure and
recordkeeping related to the conduct of all sponsored projects and in the
expenditure of funds from campus program accounts.

D. Expenditure Authorization: University Corporation Grants Accounting will send
the PD/PI an “Account Create/Update Form.” This document must be completed
and signed by the PD/PI and anyone he or she has designated as an authorized
signatory for project expenditures.

University Corporation Grants Accounting will create a new CFS account string
for the project after receipt of the completed Account Create/Update Form and
account set-up information from SPO. This form will be on file at the University
Corporation Grants Accounting office and will be used by accounting staff when
approving project expenditures. The PD/PI must notify University Corporation
Grants Accounting any time it is necessary to update the Account Create/Update
Form.
When a project number is established and given to SPO, SPO will conduct a PD/PI project setup meeting. PD/PIs will receive an information packet specific to their project from SPO. PD/PIs should carefully review this information and let SPO know of any questions or concerns relating to this project information packet. PD/PIs are responsible for ensuring that all expenditure documents submitted to SPO for approval and processing are signed only by those indicated on the Account Create/Update Form.

E. **Allowable/Reasonable/Allocable Charges**: When charging costs to projects, PD/PIs are responsible for knowing what costs are reasonable, allowable and allocable to the specific account being charged. “531-003-A: Policy on Allowable Costs/Expenditures and Post-Award Administration for Sponsored Programs Office” outlines the terms and process.

If help is needed in determining whether a cost is appropriate or not, please contact SPO for assistance

F. **Project Account Information**: The University Corporation provides access to project account reporting via CFS. This information allows PD/PIs to track and verify the accuracy of project expenditures on a monthly basis. Each PD/PI is responsible for and should notify University Corporation Grants Accounting or SPO staff if expenditure errors are found in the project accounts or if the PD/PI anticipates any problems with project budgets. University Corporation Grants Accounting is available to assist the PD/PI in correcting posting errors or to work out any problem areas to ensure accuracy of all project accounts.

G. **Personnel/Hiring**: In hiring, managing, paying, evaluating and terminating employees, the PD/PI must work within University Corporation personnel policies and confer and cooperate with the University Corporation Human Resources Manager in all matters related to personnel. Please keep in mind that 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.

H. **Compliance**: The PD/PI agrees to follow all policies and procedures regarding regulatory compliance items such as Human Subjects in Research, Animal Welfare, Misconduct in Research, Conflicts of Interest and others required by the CSU, CSUMB, the University Corporation or the funding agency.

IV. **Responsibilities Related to Sponsored Programs Office**

A. **Proposals**: Prior to proposal submission, a Fund Solicitation Concept form must be completed and approved for each funding “idea”. All proposals for externally funded projects must be submitted through SPO where final submission approval rests. Therefore, proposers should work closely with SPO staff from the earliest
521-001-C: Policy on the Duties and Responsibilities of a Project Director/Principal Investigator

moment possible prior to submitting a proposal, including continuation proposals. UA must also be notified and will assist with proposals for private grants.

B. Negotiations: SPO staff needs to be involved in negotiations concerning the budget, scope of work and/or language of the award document or contract. SPO staff has the final authority to agree to award terms and to sign award documents. Therefore, the PD/PI should contact SPO before engaging in any final negotiation and work with SPO staff in reaching agreement with the funding agency, including continuation awards. Please note: Indirect costs (also called Facilities and Administrative Costs) can only be negotiated by SPO staff and approved by the Provost/Vice President for Academic Affairs.

C. Multi-Institutional Projects: A PD/PI proposing multi-institutional projects shall ensure receipt of completed and authorized proposals from proposed subrecipients prior to their inclusion in the proposal submission.

D. Commencing Work on Project: No work should begin on a project until the University Corporation has a legally binding award document. Work done prior to that time may not be reimbursed by the funding agency, thus making the PD/PI and his or her home unit liable for any unreimbursed costs. Pre-award spending may be allowed by the funding agency and necessary for the project. These approvals will be on a case-by-case basis with assurance that any unrecovered costs will be covered by the PD/PI, his or her Department and/or College/Administrative unit.

E. Project Management: The PD/PI is responsible for the programmatic management of the contract or grant and the conduct of the project to meet project goals and objectives while adhering to the funding agency’s regulations and guidelines as well as SPO, CSUMB, and University Corporation policies and procedures.

F. Delegation of Responsibilities: It cannot be overemphasized that each PD/PI has responsibility for the management of his or her project. This responsibility cannot be delegated. This duty encompasses all aspects of the project: fiscal, programmatic and general compliance requirements.

G. Project Changes: The PD/PI is responsible for the overall implementation of the project, including ensuring the work is accomplished in a timely manner, meets appropriate professional standard, and is conducted within the requirements of the awarding agency.

If the PD/PI finds that any changes are necessary during the conduct of the funded project, such as budget, scope of work, key personnel and/or language change, SPO staff should be contacted immediately for assistance. A change in PD/PI on
521-001-C: POLICY ON THE DUTIES AND RESPONSIBILITIES OF A PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR

a funded project constitutes a change in key personnel and SPO must be notified immediately.

Most funding agencies require prior written approval for amendments. Time extensions and such changes cannot be made with approval from SPO. In most cases, the agency requires the submission of amendments (language or budget changes) or time extensions 30 to 45 days prior to the end of the project.

H. Fiscal Management: In managing the fiscal affairs of a project, the PD/PI is expected to know (or learn) and follow the specific regulations and budget for the project as well as other overarching rules and regulations that govern the fiscal and programmatic conduct of projects operating under the legal auspices of the University Corporation. SPO will assist the PD/PI in learning and interpreting fiscal and other compliance regulations that pertain to each specific project. SPO staff will meet with each PD/PI for a “Start-up” meeting at the beginning of each project and is available to meet as needed during the conduct of the project.

The University Corporation undergoes an annual fiscal and general compliance audit and is subject to numerous other types of audits conducted by funding agencies and Federal and state governments. The University Corporation, thus, is required to meet generally accepted accounting standards and other compliance requirements in the expenditure and recordkeeping related to the conduct of all sponsored projects and in the expenditure of funds from campus program accounts.

The PD/PI should work closely with SPO and University Corporation Grants Accounting to ensure they are aware of, understand and follow all appropriate fiscal and other compliance rules and regulations to avoid problems upon audit and in the overall conduct of each project.

Cost overruns or deficits in the grant/contract and accounts are the responsibility of the PD/PI, his or her department, college or other “home” administrative unit.

When submitting expenditures against projects, the PD/PI is responsible for ensuring that the costs being charged are specific to the project charged and that the costs are allowable, reasonable and allocable. Refer to “531-003-A: Policy on Allowable Costs/Expenditures and Post-Award Administration for Grants & Contracts” for definitions and information.

SPO staff is available for further clarification and additional information.

I. Consultants/Subcontractors: Many projects have provisions for the use of Independent Contractors (also called consultants), either individuals or entities. If a consultant (person or firm) is not named in a proposal, the PD/PI may need to conduct a bidding process to secure services in accordance with University...
521-001-C: POLICY ON THE DUTIES AND RESPONSIBILITIES OF A PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR

Corporation procurement policies and procedures. Once a consultant is selected, the PD/PI must work with SPO to develop an Independent Contractor agreement, a subcontract or subaward, depending on the circumstances. Only SPO staff is authorized to sign consultant/subcontract agreements.

Please Note: No work should begin until a fully executed agreement is in place and the funding agency has approved the subcontractor and subcontract if so required by the project sponsor.

J. Faculty Academic Year Overload: Faculty being paid overload for time worked over and above their academic year University appointment are set up on University Corporation payroll and charged directly to the specific project.

The Chancellor’s Office limits faculty from working more than 125% time on all activities (e.g., University appointment, SPO, or other campus-funded work) during the academic year. Summer, Fall, and Spring breaks and inter-session are not included in the monitoring for faculty and should be listed separately for budgeting purposes, not as overload, unless the campus employee has a 12-month appointment. Therefore, faculty may work up to 25% overload during an academic term (25% of 40 hours is ten hours per week). The ten hours per week is a good guide for faculty.

PD/PIs are responsible for monitoring their overload time on all projects with University Corporation Human Resources and University Academic Personnel.

K. Faculty Buy-Outs (Reimbursed Time): When a faculty member has “Assigned” or “Released” time from his/her regular University duties and is requesting that the portion of time be a “Buy-Out” to allow funds to be paid back to the College by the faculty member’s University Corporation project, the faculty member continues to be paid by the University for his/her full appointment. The Buy-Out of time takes place through an invoice and payment process between the University and the University Corporation. PD/PIs are responsible for working with their Dean/Department Chairs or appropriate Dean/Department Chairs when submitting proposals requesting buy-outs of their time or that of other University faculty.

The PD/PI is responsible for keeping the college/department and SPO informed of any changes with respect to the Buy-Out that may affect the charging of costs to the project or affect the completion of the scope of work as required by the funding source.

L. Effort Reporting: Federal regulations, i.e., OMB A-21, §J(8)(c)(1)(e), requires institutions to maintain an accurate method for verifying work performed with federal funds. In order to comply with this regulation, the University Corporation
requires every individual who performs work on an externally funded program to certify his or her effort.

The federal effort reporting requirements use the term “total effort” to include an individual’s efforts on University, University Corporation, and cost-shared activities. The distribution of effort is expressed as a percentage of total effort and should reasonably reflect effort devoted to each activity. The sum of an individual’s total effort (University, University Corporation, and cost-shared activities) equals 100%.

In order to document an individual’s effort, SPO works with the CSUMB and University Corporation payroll offices to collect the number of hours worked on each grant project, university hours, and any cost shared effort.

M. Project Reporting: The PD/PI is responsible for submitting all programmatic reports or information needed by the funding agency and SPO and/or University Corporation Grants Accounting to complete financial reports required by the contract or grant on a timely basis. A copy of any reports submitted to the funding agency should be sent to SPO for filing in the project file. See “511-005-A: Grants & Contracts Reporting Policy”.

N. Cost Sharing/Matching Requirement: Many funded projects require resources that are contributed to a sponsored project over and above the support provided by the external sponsor of the project. Such resources are required of the University Corporation by the sponsor as a condition of the award, to “match” the sponsor’s support. Funds required might be an arbitrary portion, a fixed amount, or resources from non-University/University Corporation sources pledged in partial support of a project. Such requirements can be either in the form of a Cash Match or In-Kind Match.

Mandatory Cost Share/Match should be written into the proposal budget. If it is written into the narrative of a proposal, even though it is not written into the budget, it then becomes a requirement of the award and must be documented.

The PD/PI is responsible for securing all Cost Share/Match requirements and must submit required documentation to SPO for verification of the cost share/match. Additional information may be found in “561-001-A: Cost Share Policy”. SPO staff is available to answer questions related to Cost Share/Match.
V. Adoption and Review

A. The University Corporation’s Board of Directors has adopted this Policy on the Duties and Responsibilities of Project Directors/Principal Investigators, dated June 2004. The University Corporation’s Board of Directors has adopted this Policy on the Duties and Responsibilities of Project Directors/Principal Investigators, dated 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 Corporation Board of Directors.

VI. Related Documents

A. 531-003-A: Policy on Allowable Costs/Expenditures and Post-Award Administration for Grants & Contracts
B. 561-001-A: Cost Share Policy
C. OMB Circular A-21, Cost Principles for Educational Institutions