

# Policy on the Administration of Sponsored Programs at California Polytechnic State University (Cal Poly)

Effective Date: July 1, 2004

## I. General

Sponsored programs provides significant benefits to the University and furthers its educational mission by facilitating research, workshops, conferences, and other projects that enrich the scholarly endeavors of faculty and students and enhance the services provided by the University to California communities and the nation. This document delineates or refers to policies, procedures and organizational structures for the administration of grants and contracts denoted as sponsored programs/projects. All procedures and actions are designed to conform to federal and state laws and regulations, CSU, University and Foundation policies. In the event that a given contract or grant contains terms and conditions that are not in conflict with, but are more restrictive than, those provided in the campus policy, the more restrictive terms and conditions of the grant or contract shall prevail. The intent of this policy is to ensure that the administration of sponsored programs maximizes the benefits of these programs; effectively supports faculty, students, and administrators in securing funding for and carrying out sponsored activities; and is in compliance with CSU policy including Executive Order 890 or its successor. (See <http://www.calstate.edu/EO/EO-890.pdf>).

## II. Definitions

- A. **“Auxiliary”** means an Auxiliary Organization as defined in CSU Executive Order No. 698 (See <http://www.calstate.edu/eo/EO-698.pdf>).
- B. **“Contract”** means a written agreement between the University or the Foundation and a sponsor to provide an economic benefit to the sponsor, generally in the form of services, for compensation. The agreement is binding and creates a quid pro quo relationship between the parties. Contract activity includes research, public service, and educationally related project proposals and awards, whether solicited or unsolicited, which are either submitted to or received from federal, state, municipal, or county agencies; public or private corporations; and private foundations or individuals.
- C. **“Foundation”** means California Polytechnic State University Foundation.
- D. **“Grant”** means a financial award 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 or Foundation may commit resources or services as a condition of the grant. Grant activity includes research, public service, and educationally related project proposals and awards, whether solicited or unsolicited, which are either submitted to or

received from federal, state, municipal, or county agencies; public or private corporations; and private foundations or individuals.

- E. **“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 University or Foundation to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the sponsored program. For a description of who may serve as a Principal Investigator, please see Section IV.B.1.
- F. **“Recipient”** means the University or CSU auxiliary awarded a contract or grant. The recipient at Cal Poly is usually the Foundation but could be either the University or the Foundation, even if an alternative administrative component is designated in the award document, and shall not be an individual, department or other constituent unit.
- G. **“Sponsor”** means the party paying for the services or other economic benefit under a contract or providing the financial award for a project or activity under a grant.
- H. **“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.
- I. **“Sponsored Program(s) Administrator”** means the entity (University or Foundation) designated by the Recipient to administer the sponsored program. At Cal Poly the Foundation is designated as the primary Sponsored Programs Administrator for the University.
- J. **“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.
- K. **“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 even if based on the findings of the sponsored program.
- L. **“University”** means California Polytechnic State University (Cal Poly).

### **III. Responsibility for the Administration of Sponsored Programs**

The President is ultimately responsible for the educational effectiveness, academic excellence, and general welfare of the campus over which he presides. The President requires that the University and the Foundation operate in conformity with applicable law and the policies of the CSU and the campus when proposing and administering sponsored programs. Sound management and administration of sponsored programs requires coordination among organizationally separate units and individuals on the campus. The President has identified a campus official responsible for implementing each area of this policy.

### **IV. Sponsored Programs Administration**

The University has delegated the role of Sponsored Programs Administrator to the Foundation for the majority of sponsored projects. A Master Operating Agreement has been executed between the University and the Foundation (Contract # M101818 Final), which sets forth the roles and responsibilities of each party with regard to the administration of sponsored programs. The Supplemental Operating Agreement (SOA Number M105028) further delineates the roles and responsibility of the Foundation in the administration of externally sponsored projects and related activities in accordance with the requirements identified in Executive Order 890.

#### **A. Proposal Generation, Submission, Review, and Approval**

1. All grant and contract proposals to external sponsors must be submitted through the University's Grants Development Office, which will submit them to the sponsor on behalf of the University. Proposals shall be submitted under cover of a Project Approval Form (PAF), by the Principal Investigator, to the department chair (or comparable organizational unit director) for initial review. The department chair (or unit director) shall then forward the signed PAF, indicating approval, to the college dean or comparable organizational unit administrator, before submission to the Grants Development Office. The signatures of the department chair and the college dean (or comparable administrators) on the PAF certify that the project is consistent with the mission of the department, unit or college, and that any proposed departmental/unit/college commitments, financial or otherwise, will be honored. Other required signatures will be identified and obtained by the Grants Development Office, including approval in writing by officials of the University/Foundation responsible for the following areas, as applicable:
  - a. academic/programmatic
  - b. fiscal;
  - c. health and safety;
  - d. human subjects research;
  - e. animal subjects research;

- f. space;
  - g. major technical resources and equipment;
  - h. risk management
2. Proposals for sponsored programs shall have written approval of the President of the University or the President's University designee and of the chief financial officer of the University or the chief financial officer's University designee prior to submission to the sponsor. Other approvals may also be required.
  3. All proposals and applications for grants or contracts shall specify the recipient of the grant or contract as the Foundation or University.

## **B. Qualifications and Responsibilities of the Principal Investigator**

### **1. Qualifications**

Normally, individuals who serve as “Principal Investigators” shall be full-time faculty, MPP (management personnel plan) or staff employees at Cal Poly. Faculty participants in the Faculty Early Retirement Program (FERP) may apply for or serve as Principal Investigators on grants only when the grant can be accomplished during the period of active employment under FERP.

Exceptions may be made for Principal Investigators who are not employees of the University or Foundation, but who are officially affiliated with the University, such as individuals with emeritus status or visiting professors or researchers. Other exceptions may also be made on a case-by-case basis. Such individuals shall not receive an appointment to a faculty classification based on their PI status alone. In addition, they must have a sponsoring department and college, whose Chair and Dean will provide the required approvals on the proposal.

In cases in which the Principal Investigator is not an active, full-time faculty or staff member, a Co-Investigator with responsibility for fiscal matters may be required.

### **2. Responsibilities**

The Principal Investigator is the individual responsible for all aspects of the grant – both programmatic and fiscal. In general, the responsibilities of the Principal Investigator, beyond those that may be imposed by the sponsor, include but are not limited to:

- a. Assuming overall responsibility for meeting the requirements, goals and objectives of the sponsored program as originally proposed, or subsequently modified;
- b. Working closely with the Sponsored Programs Office or University as the case may be, to ensure that funds are spent appropriately and in accordance

with the terms of the grant/contract and the allowable cost principles identified in OMB circulars;

- c. Complying with applicable federal and state laws and University and Foundation policies and procedures.
- d. Preparing and submitting reports at the times indicated in the grant or contract;
- e. Maintaining a close working relationship with the Foundation Sponsored Programs Office or University as the case may be, to manage the grant/contract funds;

**3. Distribution of responsibilities among Principal Investigators on multi-institutional sponsored programs**

Some grant and contract activities require the participation of more than one institution. In such cases, the responsibilities of all participating institutions and principal investigators shall be defined in written agreements signed by the institutions' respective authorized agents. Representative examples of acceptable agreement instruments include subcontracts and memoranda of understanding (MOU). All such agreements shall stipulate that all parties will adhere to appropriate institutional policies governing grant and contract administration and any specific sponsor requirements.

**C. Acceptance of Awards**

1. Awards of contracts or grants shall not be accepted without prior written approval, by appropriate officials of the University and Foundation responsible for the following areas, as 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. In addition, prior to acceptance of an award by the Sponsored Program Administrator, the information identified below must be provided. This information should either be included in the specified contract, grant or master agreement, or provided in the Proposal Approval Form:
  - a. Identification of the Principal Investigator and staffing needs for the sponsored project;
  - b. Identification of the funds and resources available or needed, the projected budget, and other fiscal and administrative requirements.
3. The Sponsored Programs Administrator, in collaboration with the Principal Investigator, shall be responsible for negotiating any terms and conditions that differ substantially from those initially proposed. In accordance with CSU

policy, all allowable costs, both direct and indirect, shall be recovered to the extent possible.

4. The final award document resulting from all grant and contract negotiations must have final approval of the Executive Director of the Foundation or his/her designee if the Foundation is to be the recipient of funds, or the campus chief financial officer or his/her designee when the University is to be the recipient of funds. Only the University or the Foundation designees and not the Principal Investigator, may accept an award.
5. Upon acceptance of an award, the Principal Investigator assumes responsibility for security, custody and retention of the Sponsored Program Work Product and programmatic/technical records after completion of the Sponsored Program.
6. Upon acceptance of an award, the Sponsored Programs Administrator shall notify individuals and organizational units affected by the award.

#### **D. Performance of Work on Grants and Contracts**

##### **1. Employment**

- a. The Sponsored Programs Administrator shall be the employer of the principal investigator and other employees with regard to work performed on a sponsored project. In cases where the University is the Sponsored Programs Administrator and the University transfers by written agreement the administration of the project to the Foundation, the Foundation becomes the *de facto* Sponsored Program Administrator.
- b. The Sponsored Programs Administrator is responsible for the assignment, evaluation, and termination of employees on sponsored projects and for other employer obligations associated with performance and payment under the grant/contract, in accordance with campus policy for the administration of contracts and grants. This applies regardless of whether the employee is being paid directly by the Sponsored Programs Administrator or whether the University is being reimbursed by the Foundation for the reassignment of an employee from selected University duties to work on the contract or grant.
- c. Principal Investigators, consultants, and project staff shall not be hired on any project until the terms and conditions of employment, particularly salary, have been determined, agreed to, and confirmed in writing between individuals and the Foundation/University administration (whichever is the Sponsored Program Administrator).
- d. All recruitment and appointment activities shall adhere to applicable Federal, State, CSU, University and Foundation policies and procedures (as applicable), including the CSU policy on nepotism (See <http://www.calstate.edu/HRAdm/pdf2004/HR2004-18.pdf>).

- e. In the event that the Principal Investigator is incapacitated, resigns, fails or refuses to perform the normal and reasonable duties of the position, or engages in unprofessional conduct, the Sponsored Programs Administrator, after consultation with the Dean of the applicable college/unit (or comparable responsible administrator), the Vice Provost for Academic Personnel (for faculty PIs) or the Director of Human Resources (for staff PIs), and the Dean of Research and Graduate Programs, may remove the individual from the grant or contract and terminate the agreement, assign another individual as PI, or take other appropriate action. In the case of sponsored programs that require scholarly research and/or technical effort, which cannot be overseen by the Sponsored Programs Administrator, suspected problems in performance will be referred to the Dean of Research and Graduate Programs, who will confer with the Principal Investigator and appropriate University administrators to evaluate the problem and recommend remedial actions if necessary. The Sponsored Programs Administrator shall obtain prior sponsor approval as required.

## **2. Additional employment**

Additional employment refers to any CSU employment that is in addition to the employee's primary appointment, regardless of funding source. CSU employment includes all CSU, CSU Foundation, and other CSU auxiliary employment. The Sponsored Programs Administrator shall monitor additional employment and shall comply with the limits established by the CSU Additional Employment Policy. (See <http://www.calstate.edu/HRAdm/Policies/HR2002-05.pdf>).

## **3. Misconduct**

- a. All employees involved in grant/contract work are subject to the campus Policy on Scientific Fraud and Serious Misconduct (see <http://www.calpoly.edu/~rgp/pdf/fraud.pdf>)
- b. All employees shall be subject to appropriate sanctions for unprofessional behavior, failure or refusal to perform duties adequately, or other misconduct pursuant to the applicable Collective Bargaining Agreement and/or University policies.

## **4. Conflict of interest**

The campus Policy on Conflict of Interest in Externally Funded Research (see <http://www.calpoly.edu/~rgp/pdf/coi.pdf>) governs the identification and management of conflict of interest in the conduct of sponsored projects and other research activities.

## **5. Human Subjects Research**

All sponsored projects that involve research with human subjects must conform to federal guidelines and campus policy for research involving human subjects. These

guidelines and policy exist to ensure protection of the rights and welfare of human subjects involved in research in which the institution (University or Foundation) is engaged. The institution is engaged when its employees, students, or other individuals performing institutionally designated activities or exercising institutionally delegated authority or responsibility: (i) intervene or interact with living people for research purposes or (ii) obtain individually identifiable private information for research purposes. (See federal guidelines at 45 CFR 46.102(d)-(f) and <http://www.hhs.gov.ohrp>).

The campus policy (see <http://www.calpoly.edu/~sdavis/human3.htm>) conforms with all applicable laws and regulations, including but not limited to, Title 45, Code of Federal Regulations, Part 46. The campus has a Federal Wide Assurance for protection of human subjects and an Institutional Review Board (the Cal Poly Human Subjects Committee), both approved by the federal Office of Human Research Protections.

Sponsored projects that involve research on human subjects must be reviewed and approved by the Human Subjects Committee prior to acceptance of an award. Campus policy provides for annual review on multi-year awards. The President or designated official will take appropriate action, including termination of a project, if appropriate, to ensure protection of human subjects and compliance with requirements of funding and regulatory agencies for the protection of human subjects in research.

## **6. Animal Subjects Research**

All sponsored projects that utilize live non-human vertebrate animals must conform to federal guidelines and campus policy on the use of such animals. The campus policy (see <http://www.calpoly.edu/~rgp/pdf/iacucguide95.pdf>) regulates the procurement, housing, care, and use of live non-human vertebrate animals in research and instruction by employees of the University or Foundation in the regular course of their employment, in educational and research activities of students in satisfaction of University requirements, and in research or instruction using any University property or facility. The policy is consistent with the Guide for the Care and Use of Laboratory Animals (Institute for Laboratory Animal Research, Commission on Life Sciences, National Research Council), and applicable federal regulations.

Cal Poly has an Institutional Animal Care and Use Committee (IACUC), appointed by the President and charged with the review and evaluation of animal facilities and procedures (procurement, housing, care) and research and teaching protocols. Sponsored projects that involve research using live non-human vertebrates must be reviewed and approved by the IACUC prior to acceptance of an award. Campus policy provides for annual review on multi-year awards. The President or designated official will take appropriate action, including termination of a project if

appropriate, to ensure protection of the welfare of animal research subjects and compliance with requirements of funding and regulatory agencies for the protection of live vertebrate animals in research.

## **E. Fiscal Administration**

### **1. Budget**

The Sponsored Program Administrator is responsible for final certification of post-award project budgets, and budget change review procedures. The Principal Investigator for a contract or grant shall be responsible for executing the project in conformance with the approved budget, sponsor regulations, and University and Foundation policies and procedures. Pre-award disbursements are allowed, on a case-by-case basis, if the awarding agency policies and procedures permit, in accordance with the following:

- a. Pre-award disbursement is required for the proper and timely execution of the award objectives, as determined by the Sponsored Program Administrator.
- b. Verbal, electronic or written confirmation, from the Sponsor of the pending award is obtained by the Grants Development Office, and
- c. An “Open Account Memo” is established and executed by the appropriate individuals. This will ensure that the appropriate department will cover the costs associated with pre-award spending should an award not be issued.

### **2. Account Management**

The Sponsored Program Administrator is responsible for the timely establishment of accounts in accordance with the terms and conditions of the grant or contract. The Sponsored Programs Guide identifies the Foundation’s policies and procedures relating to the administration of sponsored programs. All expenditures shall be made in accordance with 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 Principles, prevailing OMB Circulars, sponsoring agency terms and conditions, and University and Foundation policies and procedures as applicable. All grant and contract expenditures require the written authorization of the Principal Investigator or designee and the Sponsored Program Administrator, and must be submitted on appropriate forms. Reimbursement for personal expenditures by the Principal Investigator will be approved by the PI’s immediate supervisor. Authorization of a designee by the Principal Investigator will be done in writing on the Authorization of Signatures for Purchasing (ASP) Form. The Principal Investigator’s signature on expenditures certifies program appropriateness and compliance with the approved budget and the Sponsored Program Administrator signature certifies availability of funds and compliance with the Sponsoring Agency terms and conditions.

### **3. Reporting Requirements**

The Sponsored Programs Administrator shall ensure that all fiscal and technical reports and billings are prepared and submitted on a timely basis in accordance with the terms and conditions of the grant or contract. The Principal Investigator is responsible for the timely submission of accurate technical and project progress reports. The Sponsored Program Administrator shall monitor compliance with technical, project, and financial reporting requirements.

### **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.

### **5. Cost Sharing**

In some cases the University may waive a portion of direct or indirect costs as a means of cost sharing. When there is cost sharing or matching in connection with a sponsored program, the Sponsored Program Administrator, in conjunction with the Principal Investigator, must document actual costs shared or matching contributions in a manner consistent with the campus cost allocation plans, sponsor requirements and OMB Circulars, if applicable. All cost sharing shall be documented at the time of proposal submission on the PAF and/or the "Grant-Matching Request Form."

## **F. Sponsored Program Work Product and Records**

### **1. Work Product**

Ownership rights to data, materials, records and any other form of intellectual property developed on sponsored projects will be specified in the terms of the contract or grant. Any contract or grant that provides for ownership or license of intellectual property developed on a sponsored project shall provide the University with a free-of-cost, non-exclusive license to use said intellectual property for purposes consistent with the educational mission of the University (See <http://www.calpoly.edu/~rgp/intelprop.html>).

### **2. Records Retention**

All necessary records and reports pertaining to a grant or contract shall be maintained by the Sponsored Programs Administrator and the Grants Development Office while the project is ongoing. Records shall be maintained for a minimum of three years after the end date of a sponsored project unless sponsor requirements differ, in which case the longer retention period shall prevail. Some records may need to be retained for a longer period to protect future intellectual property interests or when records may have historical, artistic or other value. In these cases, the

materials will be turned over to the appropriate University official for retention or preservation.

The Principal Investigator is responsible for retaining laboratory notebooks and other primary data records, whether paper or electronic, as necessary to meet sponsor requirements or to protect intellectual property interests.