August 2, 2004

Chancellor Charles B. Reed
The California State University
401 Golden Shore
Long Beach, CA  90802

Subject: Executive Order 890 – Administration of Grants and Contracts in Support of Sponsored Programs

Dear Chancellor Reed:

I am pleased to advise you that California State University, Hayward has completed preparation of our written policy and is in compliance with the policy directives for administration of sponsored programs in accordance with this Executive Order 890. Please let me know if you have any questions.

Sincerely,

Norma S. Rees
President

Cc: Executive Vice Chancellor West
    Vice President Metz
California State University, Hayward  
Policy for the Administration of Grants and Contracts  
In Support of Sponsored Programs  

On January 7, 2004 the CSU Board of Trustees issued Executive Order 890, Administration of Grants and Contracts in Support of Sponsored Programs. Consistent with the requirements of Executive Order 890, California State University, Hayward has developed this policy, which shall govern all Sponsored Programs applied for, awarded to and/or administered by the campus or any of its Auxiliaries. 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 Contract or Grant shall prevail.

Article 1. Definitions

1.1. “Auxiliary” means an Auxiliary Organization as defined in Executive Order No. 698. CSUH Auxiliaries include:  
- California State University, Hayward Foundation, Inc.  
- Associated Students Inc. of California State University, Hayward  
- University Union, Inc. of California State University, Hayward  
- Cal State Hayward Educational Foundation, Inc.

1.2. “Contract” means an agreement between the University or Auxiliary and another entity 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 Grantor with the Recipient during performance of the project or activity, but Grantors usually request an accounting of the use of funds and of results of the project or activity. The University or Auxiliary may commit resources or services as a condition of the Grant.

1.4. “Grantor” 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.

1.5. “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 Sponsored Program Administrator 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.

1.6. “Recipient” means the University or Auxiliary awarded a Contract or Grant. The Recipient is the 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.
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 (University or Auxiliary) designated by the Recipient 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.

1.11. “University” means the California State University, Hayward campus.

Article 2. General

2.1. Conformance with Applicable Law and CSU Policies

The University and the Auxiliary shall operate in conformity with applicable law and the policies of the CSU and the campus when proposing and administering Sponsored Programs. The Provost and Vice President, Academic Affairs and the Vice President for Administration and Business Affairs shall be responsible for implementation of this policy.

2.2. Administration of Policy

Administration of Sponsored Programs shall comply with Executive Order 890 and be consistent with policies relating to risk management, environmental health and safety, conflicts of interest, research misconduct and other applicable CSU and campus policies.

2.3. Representations on Behalf of the University

Persons affiliated with the University may not make representations on behalf of the University regarding university participation in activities of or affiliation with any other institution or organization without prior approval of the university officer who exercises authority over the matters concerned.
Article 3. Sponsored Program Administration

3.1. Proposal Submission, Review, and Approval

3.1.1. Pre-Award Review and Approval of Proposal Submission. Proposals for Sponsored Programs shall not be submitted to the Grantor without prior written approval of the Provost (the President’s designee) and of the Vice President for Administration and Business Affairs (or designee), via the Transmittal Form for Internal Approval of All Externally Funded Proposals: http://www.csuhayward.edu/ORSP/EForms/TransmittalForm.PDF.

3.1.2 Pre-Acceptance Approvals. Awards of Contracts or Grants shall not be accepted without prior written approval by the Provost and Vice President, Academic Affairs and the Vice President for Administration and Business Affairs in consideration of the following areas: (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, via the Grant/Contract Award Acceptance Approval Form.

3.1.3. Notice of Recipient. If awarded, the Recipient of the Contract or Grant shall be the University or Auxiliary and not an individual, department, or other constituent unit. Notice will be provided via the Transmittal Form for Internal Approval of All Externally Funded Proposals.

3.1.4. Amendment of Contract or Grant. Awards of Contracts or Grants shall not be amended without prior written approval by the Provost, the Vice President for Administration and Business Affairs and the cognizant dean(s). The Office of Research and Sponsored Programs shall initiate the approval process by circulating the Grant/Contract Amendment Approval Form to these and, as needed, other officers of the university and the foundation.

3.2. Performance of Grants and Contracts

3.2.1. Administration of Sponsored Programs. Prior to acceptance, the Recipient shall designate either the University or an Auxiliary to administer the Contract or Grant, via the Transmittal Form for Internal Approval of All Externally Funded Proposals: http://www.csuhayward.edu/ORSP/EForms/TransmittalForm.PDF. This entity shall be the Sponsored Program Administrator. The Sponsored Program Administrator is legally responsible and accountable to the Grantor for the use of the funds provided and the performance of the Sponsored Program.
3.2.2. Master Agreement between University and Auxiliary for Administration of Sponsored Programs. The University and the Auxiliary shall enter into a master agreement setting forth the rights, roles and responsibilities of each party with regard to the administration of Sponsored Programs by an Auxiliary. The Auxiliary shall agree, among other things, to:

a. Indemnify, defend and save harmless the University from all loss, damage or liability that may be suffered or incurred by the University caused by, arising out of, or in any way connected with the administration of Sponsored Programs by the Auxiliary; and

b. Carry adequate insurance in accordance with CSU policy (See Executive Order No. 849).

3.2.3. Implementation Plan. The Sponsored Program Administrator’s implementation plan for each Contract or Grant shall include, but not be limited to, the following, if not already specified in the Contract or Grant or master agreement, the contract or grant proposal and budget or the Transmittal Form for Internal Approval of All Externally Funded Proposals.

a. Identification of the Principal Investigator and staffing needs for the Sponsored Program;

b. Identification of the funds and resources available, the projected budget, and other fiscal administrative requirements; and

c. Identification of the person or entity responsible for security, ownership, custody and retention of the Sponsored Program Work Product and Records after completion of the Sponsored Program.

3.3. Human Resources Policy

3.3.1. Principal Investigator(s). In addition to the qualifications set forth by the Grantor, Principal Investigator(s) for Sponsored Programs must be employees of the University. For purposes of this policy, "employees of the University" does not include emeritus faculty, visiting academics, or lecturers without a contract. With the approval of the president or the president’s designee, a person who is not a University employee but is otherwise affiliated with the University may serve as a Principle Investigator.

In cases where the incumbent Principal Investigator’s resignation, incapacitation, or failure or refusal to perform the duties adequately, the College Dean in consultation with the appropriate Vice President shall reassign the responsibilities of the Principal Investigator(s). The reassignment of responsibilities shall be done through the Amendment of Contract or Grant provisions above.
For multi-institutional Sponsored Programs, the distribution of responsibilities shall be clearly delineated in the project proposal.

3.3.2. **Employer.** The Sponsored Program Administrator shall be the employer of the Principal Investigator and other employees with regard to work performed in furtherance of each Sponsored Program. The Sponsored Program Administrator shall be responsible for the assignment, evaluation, and termination of Sponsored Program employees 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 normal duties in order to work on the Contract or Grant.

3.3.3. **Additional Employment.** Employment, including additional employment through Contracts and Grants shall comply with the limits established by the CSU Additional Employment Policy. (See [http://www.calstate.edu/HRAdm/policies.shtml](http://www.calstate.edu/HRAdm/policies.shtml).) Time and effort expended on Sponsored Programs shall be reported by faculty and staff on the CSUH Time and Effort Certification Form [http://www.aba.csuhayward.edu/BusAndFinance/New_Forms_Instructions/TimeEffortCrtfctn031703.pdf](http://www.aba.csuhayward.edu/BusAndFinance/New_Forms_Instructions/TimeEffortCrtfctn031703.pdf), in accordance with the instructions outlined in [http://www.aba.csuhayward.edu/BusAndFinance/New_Forms_Instructions/TimeEffortCrtfctnInstrctns303.pdf](http://www.aba.csuhayward.edu/BusAndFinance/New_Forms_Instructions/TimeEffortCrtfctnInstrctns303.pdf).

3.3.4. **Misconduct.** Complaints of research misconduct or other employee misconduct in connection with Sponsored Programs will be processed in accordance with the CSUH Scientific Misconduct Policy [http://www.csuhayward.edu/ORSP/PoliciesRegulations/Misconduct.html](http://www.csuhayward.edu/ORSP/PoliciesRegulations/Misconduct.html) and the appropriate University and Auxiliary policies and procedures. Employees working on Sponsored Programs who are also CSU employees shall remain subject to consequences for unprofessional behavior or other misconduct within the administration of the Sponsored Program and to the University’s discipline system, including applicable collective bargaining agreements.

3.3.5. **Conflict of Interest.** Principal Investigators shall comply with the CSUH Conflict of Interest Policy [http://www.csuhayward.edu/OAA/conflict.pdf](http://www.csuhayward.edu/OAA/conflict.pdf), and file the Statement of Economic Interests for Principal Investigators as required [http://www.fppc.ca.gov/Pdf/Form700-UInteractive02-03.pdf](http://www.fppc.ca.gov/Pdf/Form700-UInteractive02-03.pdf).

3.3.6. **Nepotism.** CSU and CSUH policies regarding nepotism shall be adhered to in the administration of Sponsored Programs (See CSU policy [http://www.calstate.edu/HRAdm/policies.shtml](http://www.calstate.edu/HRAdm/policies.shtml) and CSUH policy [http://www.csuhayward.edu/OAA/nepo.pdf](http://www.csuhayward.edu/OAA/nepo.pdf).
3.4. Academic Policy

3.4.1. Conduct of Research. In the case of Sponsored Programs requiring scholarly research, College Deans are responsible for oversight of the conduct of research and ensuring progress toward fulfillment of Contract or Grant requirements.

3.4.2. Human Subjects Research. Sponsored programs utilizing human subjects in research must adhere to the policies and procedures established by federal regulation (45 CFR 46) and the CSUH Assurance of Compliance With Department of Health and Human Services Regulations on Protection of Human Subjects http://www.csuhayward.edu/ORSP/IRBMenu.html. All such programs must obtain approval of the CSUH Institutional Review Board (IRB) prior to any contact with human subjects and must abide by all restrictions and review procedures prescribed by the IRB. Instructions for filing a protocol with the IRB can be obtained from the Office of Research and Sponsored Programs. CSUH personnel who participate in multi-institutional sponsored programs are subject to CSUH policies and procedures for the protection of human subjects. CSUH personnel who participate in federally funded programs utilizing human subjects in research must undergo training in the protection of human subjects in research as prescribed by the cognizant federal agency.

3.4.3. Animal Subjects in Research. Sponsored programs utilizing live non-human vertebrate animals in research must do so in accordance with the Animal Welfare Act (7 U.S.C. 2131 et. seq.) and other applicable federal laws, guidelines and policies. All such programs must obtain approval of the CSUH Institutional Animal Care and Use Committee (IACUC) prior to initiating such research and must abide by all restrictions and review procedures prescribed by the IACUC. Requirements and procedures are detailed in the Animal Care And Use Handbook, which may be obtained from the College of Science Office. The policies of the IACUC also apply to the use of vertebrate animals in instruction.

3.5. Fiscal Administration

It is the responsibility of the Principal Investigator and the Sponsored Program Administrator to adhere to the fiscal terms and conditions of the Contract or Grant, to comply with University and Auxiliary policies and procedures, and to follow established controls to ensure sound fiscal management of Sponsored Programs.

3.5.1. Budget. The Sponsored Program Administrator shall be responsible for Post Award certification of project budgets, following established 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. Disbursements shall not be processed on any account unless both parties have executed a Contract or unless all approvals have been obtained and the Grant has been accepted. In cases when the Sponsor allows the institution to incur pre-award costs, then disbursements may be made prior to receipt of the award document, subject to the approval of the Provost. The cognizant Dean must agree to fund the pre-award costs (including indirect costs) in the event that the award is not received.

3.5.2. **Account Management.** The Sponsored Program Administrator is responsible for the timely establishment of accounts in accordance with the terms and conditions of the Contract or Grant. Established procedures shall be followed to define and document approval authority; maintain proper accounting and control of all cash receipts from Contract or Grant billings; review and approve all expenditures for compliance with the Contract or Grant; and ensure completion of accurate and timely reporting for each Contract or Grant. The Principal Investigator is responsible for ensuring that all expenditures are made in compliance with the approved budget, the Contract or Grant and the Sponsored Program Administrator’s policies. The Principal Investigator’s supervisor must authorize payments involving reimbursements to the Principal Investigator. The Sponsored Program Administrator must certify that funding is available prior to issuance of any personnel action forms.

3.5.3. **Fiscal Reporting.** The Sponsored Program Administrator shall ensure that all fiscal reports (including final reports) and billings are prepared and submitted, on a timely basis, to Grantors in accordance with the terms and conditions of the Contract or Grant. The Auxiliary or University fiscal office, as appropriate, shall be provided with copies of such fiscal reports.

3.5.4. **Cost Recovery.** All appropriate indirect and direct costs shall be recovered for Sponsored Programs in accordance with CSU policy, CSUH Indirect Costs Policy http://www.csuhayward.edu/ORSP/PoliciesRegulations/IDC.html, other University and Auxiliary policies and/or other funding agency requirements.

3.5.5 **Cost Sharing.** In some cases, the University may share or match costs associated with a Sponsored Program instead of recovering indirect and direct costs. 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 CSUH Cost Sharing Policy for Sponsored Programs, the CSUH Cost Allocation Plan,
3.6. **Sponsored Program Work Product and Records.**

3.6.1 **Work Product and Records Policy.** The security, ownership and retention of Sponsored Program Work Products and Sponsored Program Records will be administered by the cognizant Dean in accordance with the CSUH Copyright Policy [http://www.csuhayward.edu/OAA/copyrt.pdf](http://www.csuhayward.edu/OAA/copyrt.pdf) and the CSUH Patent Policy [http://www.csuhayward.edu/OAA/patent.pdf](http://www.csuhayward.edu/OAA/patent.pdf). Ownership of any work product, records, or equipment shall transfer to the University except where the Contract or Grant specifies otherwise. Any Contract or Grant that provides for ownership or license of Work Product or Sponsored Program Records to any person or entity other than the University, shall provide the University with a free-of-cost, nonexclusive license to use the Sponsored Program Work Product and the right to access and use Sponsored Program Records for purposes consistent with the educational mission of the University.

3.6.2. **Records Retention.** Retention of Sponsored Program Records refers to the storage, preservation or disposal of records once the Sponsored Program is complete. Sponsored Program Records shall be retained in accordance with all applicable laws and University and Auxiliary policies, generally as follows:
   a. Five (5) years after the Sponsored Program has been completed or after a Trustees' audit, whichever comes first;
   b. Records shall be retained longer, to the extent that the Grantor’s record retention requirements exceed five years;
   c. To the extent that records have historical value, they may be retained longer;
   d. Records no longer needed according to the requirements above should be disposed of in a manner that is consistent with the disposal of confidential records, if appropriate.

**Article 4. System Office Role/Responsibility**

4.1. **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.