

**Joint Statement of Policies &
Procedures for Administering Grants
and Contracts**

**The University Corporation and The Office of Research
& Sponsored Programs**

June 02, 2004

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I. MISSION

The purpose of the grants and contracts program is to obtain funds from external sources to assist the University in advancing its overlapping missions of instruction, research and community service. Grant and contract funds increase faculty scholarship activities, support student training and services, and provide support for community services that may not be possible using the General Fund. The Corporation serves as the University agent for most externally funded grants and contracts, and provides fiscal and related support to the faculty serving as Principal Investigators.

II. DEFINITION OF RESEARCH

The Faculty Research and Grants Committee interpret the term research to mean the disciplined quest for broadening human understanding. This quest includes artistic creation and the study of moral values, as well as logical and empirical inquiry into any field appropriate to the functions of the University.

III. ADMINISTRATIVE STRUCTURE

The University Corporation and the Office of the Associate Vice President, Graduate Studies, Research and International Programs (GRIP), share responsibility for the administration of sponsored projects.

A. THE UNIVERSITY CORPORATION

The Corporation Administrative staff provides financial administration, accounting and reporting administration, expenditure processing and review, and personnel administration. The Corporation Executive Director or designee is responsible for Corporation activities and services, which relate to faculty research.

B. OFFICE OF THE ASSOCIATE VICE PRESIDENT, GRADUATE STUDIES, RESEARCH AND INTERNATIONAL PROGRAMS

Pre-award activities are administered by the Office of the Associate Vice President, GRIP, and internally delegated to the Office of Research and Sponsored Projects (ORSP). The office also oversees post-award programmatic and budgetary matters, including issuance of subcontracts. Requests for budgetary or programmatic amendments must be approved by ORSP and the funding agency when required by award terms and conditions. Major office responsibilities include assisting faculty with proposal development and submission, development of research-related and intellectual property policies, human and animal subjects

welfare, and administration of the campus Research and Creative Activities grants program. The Director of Research who heads ORSP, reports to the Associate Vice President, GRIP. Both individuals have the authority to act on behalf of the University Corporation to submit, negotiate, and accept extramural awards.

C. PRINCIPAL INVESTIGATOR/PROJECT MANAGER

Principal Investigators or Project Directors on grants or contracts have direct responsibility for the proper administration of the funded project and expenditure of funds. In general, the Principal Investigator deals with the contractor through the Office of Research and Sponsored Projects with regard to the original research proposal, project content and budget. The Principal Investigator works with the Corporation Accounting Office with regard to the expenditure of funds and effort for the project. The Principal Investigator is responsible for submitting required reports to the sponsor except for financial reports, which are submitted by the Corporation. If more than one Investigator is engaged in a multi-institutional Sponsored Program, the Principal Investigator will submit written specification of the distribution of responsibilities among the Principal Investigators to the Office of Research and Sponsored Projects.

The Sponsored Program Administrator is responsible for the activities of the Principal Investigators. In this role as the Sponsored Program Administrator, The University Corporation will coordinate with Human Resources and ORSP on matters related to Sponsored Program employee evaluation, assignment and termination.

D. CONDUCT OF RESEARCH

In cases of sponsored programs requiring scholarly work, The Associate Vice President, GRIP shall be responsible for providing oversight of the conduct of research and ensuring progress toward fulfillment of contract or grant requirements.

IV. RESEARCH AND GRANTS COMMITTEE

The Faculty Research and Grants committee is a standing committee of the Faculty Senate, and is governed by the regulations for such committees. It was established to promote and support faculty research at CSUN. The committee is responsible for recommending policies and procedures concerning faculty research at the University. Its recommendations are submitted for approval to the Faculty Senate and the University President. Approved recommendations become official policies. In addition, the Research and Grants Committee reports Corporation policies and operations to the Faculty Senate.

A. GRANT APPLICATIONS

1. *Authorship of Grant Applications* -Any part-time or full-time faculty member, lecturer, professor emeritus, adjunct professor, research fellow, or senior research fellow may wish to apply in the name of the University to agencies of the Federal, State and local government, private industry, private foundations, or corporations for grants-in-aid of research. Applications are submitted through the Corporation.
 - a. A potential academic employee (one who has accepted an official job offer, such as in the spring for a fall semester assignment) may apply for a grant before employment at CSUN for the period of time when he/she will be employed.
 - b. The receipt of any grant by a part-time or probationary faculty member or by an academic employee hired on a yearly or temporary basis does not guarantee continued employment by either the University or the Corporation. Nor does the receipt guarantee laboratory or office space beyond the initial commitment of the grant.

2. *Eligible Project Personnel* -The following policies have been developed by the Faculty Research and Grants Committee, accepted by the Faculty Senate, and approved by the President of the University:
 - a. Research Project Personnel - Ordinarily, each research project shall be conducted under the supervision of one or more principal or co-principal investigators. Other personnel may participate as consultants.
 - b. Conditions of Employment
 - i. Academic Staff of Research Projects.
 - ii. Only those persons listed above as authorized to apply for a grant through the Corporation can become a Principal Investigator. The terms and conditions of Principal Investigators shall be governed by the Unit 3-Faculty Collective Bargaining Agreement and the applicable state laws, and CSU rules and regulations. Any case involving potential discipline of a faculty member for actions taken as a Principal Investigator shall be processed according to the provisions of the Unit 3 – Faculty Collective Bargaining Agreement. Potential disciplinary actions will be coordinated between the University Corporation and the University.
 - iii. Professional assistants to the Principal Investigator shall be employed and compensated through the Corporation in

accordance with the recommendations of this Principal Investigator, except that the employment conditions of such assistants shall conform to the Personnel Policies of The University Corporation and state laws applicable to them. Their compensation shall be based upon applicable salary schedules of the State.

- iv. The services of professional employees may be terminated by recommendation of the Principal Investigator after a preliminary notice of not less than 30 days and in compliance with the provisions of the Personnel Policies of the University Corporation applicable to terminations with or without cause.

B. REVIEW OF APPLICATIONS

A Grant Data Form containing the signatures of the Principal Investigator, Co-Principal Investigator, Department Chair, and Dean must accompany all proposals submitted for internal review. If faculty or staff from multiple departments or colleges are involved, all pertinent Department Chairs and Deans must sign the Grant Data Form. For proposals submitted by personnel outside of Academic Affairs, the Grant Data Form must be signed by the pertinent Unit Director(s) and Vice President. The signors attest to the items listed below:

- 1. Principal Investigator or Project Director
 - a. That the proposed project can be achieved in accordance with the narrative and budget of the application.

- 2. Department Chair
 - a. The proposed project falls under the mission of the department.
 - b. That any requested department furniture and special equipment be provided during the period of the grant.
 - c. That released time out of department allocation or out of grant funds is approved if requested; and that all personnel in the department involved in the grant can be released without materially interfering with the instructional program of the University.
 - d. That cost-sharing requiring participation of the Department is approved.

3. Dean of College
 - a. That any space, renovations, equipment, furniture and personnel are approved for the period requested.
 - b. That the proposal is appropriate for the mission of the College.
 - c. That the budget is appropriate.
 - d. That cost-sharing requiring participation of the Department or the College is approved.

In addition, all Grant Data Forms must be reviewed and signed by the Chief Financial Officer and either the Associate Vice President, GRIP, or the Director of Research and Sponsored Projects.

4. Chief Financial Officer
 - a. That the budget has been reviewed.
 - b. That the fiscal aspects of the proposal are approved.
5. Associate Vice President, GRIP/Director of Research and Sponsored Projects.
 - a. That the proposal is complete.
 - b. That the proposal conforms to outside agency and University policies.

V. RESEARCH COSTS

Regulations for ascertaining the cost of federally sponsored research at educational institutions are contained in Office of Management and Budget Circular A-21. This circular provides principles for determining the costs applicable to research, development and educational services performed by educational institutions under grants and contracts with the Federal government. The principles are designed to provide recognition of the full allowable costs of a project under generally accepted accounting principles. No provision for profit or other increment above cost is intended. Basically, there are two types of costs associated with research and sponsored projects: those directly assignable to the specific project and those indirectly incurred for the general support and management of research. These two types of costs are commonly referred to as direct and indirect costs.

A. DIRECT COSTS

Direct costs are those expenses that have been incurred solely for work on the project or activity and that can be identified specifically with such. Typical costs include salaries, fringe benefits, supplies, travel, and equipment.

B. INDIRECT COSTS

Indirect costs are incurred primarily for necessary supporting administrative and service functions related to the sponsored project. Indirect costs are computed as a percentage of a project's total direct costs, or as some component of the direct costs (referred to as modified total direct costs).

C. INDIRECT COST RATES

1. *Federally Negotiated Rates* - a federally negotiated cost rate is one that an institution has negotiated with the government's appropriate audit agency. In accordance with Office of Management and Budget Circular A-88, a single Federal agency is selected for audit of a particular institution, and in practically all cases, to negotiate a final indirect cost rate or rates. The Department of Health and Human Services is the Federal agency responsible for negotiating indirect costs rates for the Corporation and California State University, Northridge. This rate applies to certain awards from federal agencies.
2. *Fixed Rates* - Certain grants and contracts have fixed, or non-negotiated rates. These fixed rates apply to governmental agencies in which the regulations specify the percentage of indirect cost recovery. Also, some grantors in the private sector will only allow for indirect cost recovery at a fixed rate. Occasionally a grantor will specify a fixed dollar amount rather than a rate.
3. *Individually Negotiated Rates* - On many contracts and grants the indirect cost rate, although lower than the federally negotiated rate is flexible. The Associate Vice President, GRIP or the Director of Research and Sponsored Projects will attempt to negotiate the highest possible rate.
4. *No Indirect Cost Recovery* - Some governmental agencies, primarily at the state and local level, and private sector sponsors do not permit indirect costs.

D. USES OF DIRECT COSTS

Within existing regulations, all funds covering direct costs of a project can be expended only with the signature of the Principal Investigator or his/her official

designee. Detailed procedures covering expenditure of these funds (e.g. personnel, purchasing and travel) can be obtained from the Corporation Accounting Office.

The Corporation shall provide fiscal and other reports of expenditures to the granting agency, Principal Investigator and, if required by law, to other governmental agencies. Fiscal information and reports may be provided to other persons only as required by law, regulation or policy.

E. USES OF INDIRECT COSTS

Indirect cost funds are used to compensate The University Corporation for its expenses, provide operations support to the Office of Research and Sponsored Projects, and promote research and creative activity on the campus

1. Typical expenditures from these funds may be, but are not limited to the following:
2. Equipment related to and supportive of externally funded projects.
3. Travel expenses for faculty/staff shall be authorized only when a favorable initial response (documentable) has been received from an external agency.
4. Public relation items related to and supportive of externally funded projects.
5. Cost-sharing payments.
 - a. Payment of reimbursed time for faculty/staff services related to externally funded activities.
 - b. Expenses to provide supplementary support to on-going externally funded projects.
6. All expenditures must be properly documented. The Corporation monitors expenditures to insure compliance with University, State and Corporation policies.

F. PRE-AWARD EXPENDITURES

For those instances in which a funding agency states that an award for the subject grant/proposal is anticipated within 90 days, Principal Investigators may request authorization to incur pre-award costs. ORSP will confirm the status of the pending award with the funding agency. Pre-award expenditures may be

requested under the following circumstances: 1) Pre-award cost authorization is necessary for the effective and economical conduct of the project; 2) the costs concerned are allowable under the potential award, and 3) when required for specific expenditures or activities, agency prior approval will be obtained before incurring such costs. ORSP will notify the University Corporation in writing of authority to allow pre-award expenditures.

VI. EFFORT REPORTING

CSU system policy allows faculty members additional employment within the System for work performed on externally funded research and sponsored projects. The responsibility for monitoring the additional employment of faculty to ensure that it conforms to the Additional Employment Policy of the CSU is vested in the Office of Faculty Affairs. A research proposal may provide for one or more faculty members to substitute research work for all or part of their teaching load, or to add this research work to their existing responsibilities. If so, budgets shall provide for reimbursement to the State of California for a pro-rata share of salary and associated expenses. Additional compensation is limited to 25% of annual full-time effort and operates in a manner that adjusts the total work effort. This adjustment alters the distribution of effort, but total effort always remains at 100%, tracked by salary compensation.

Basically, faculty members are paid for their effort by either adding this effort to their existing workload (overtime, up to 25%) or by being granted time away from their normal teaching load (released time, usually three unit blocks). Compensation for this additional employment, whether accomplished through overtime or released time is reimbursed and administered through the Corporation.

A. FEDERAL REQUIREMENTS

Because compensation for the above additional employment is budgeted in external grants and contracts, the Federal government requires reports of such time or effort. Policies contained in Circular A-21 stipulate that supplemental data on time or effort is required for those individuals whose compensation is properly chargeable to two or more research agreements or two or more of the following broad functional categories:

1. Instruction
2. Organized Research
3. Indirect Activities
4. Other Institutional Activities

The Department of Health and Human Services has agreed to percentage-of-effort as the reporting basis for professional and professorial employees. For professorial employees who are released from a part of their normal teaching assignment to work on a sponsored project, the DHHS will want to ascertain that the faculty member did, in fact, teach a reduced load.

B. METHOD REPORTING

The Corporation provides the federal government with the above information by requiring those faculty members devoting a percentage of their time to research grants or contracts to complete an Employee Effort Report. This report requires that the employee identify the percentage of effort spent on their total assignment. These categories include:

1. Instruction and departmental research not separately accounted and budgeted.
2. Departmental Administration – including University-wide Committee assignments.
3. Sponsored Projects.
4. Cost-sharing requirements.
5. Other miscellaneous effort not covered by the above categories.
6. If the effort should fall short of the relative percentage of payments made, the money must be recovered from the person who actually received the payments.

C. FREQUENCY OF REPORTS

Individual faculty effort reports must be prepared, submitted and reviewed at least each academic term. CSUN is considered to be on a trimester cycle and reports will reflect this designation.

D. CERTIFICATION PROCESS

Federal government regulations require that the employee certify that, to the best of his/her knowledge, the reported distribution of effort represents a reasonable estimate of all work performed by them during the period covered by the report. Alternately, a responsible official may certify that he/she has first hand knowledge of all work performed by the employee and that the distribution of effort represents a reasonable estimate of work performed during the period covered by this report.

This documented certification shall serve as the means by which faculty effort distribution is confirmed in compliance with Circular A-21 and, absent evidence of gross negligence or misrepresentation, shall be deemed to satisfy the test of reasonableness.

E. REVIEW/ADJUSTMENT PROCESS

The Corporation Controller shall review the report for accuracy and consistency. The review shall compare reports of work effort with:

1. Release/assignment authorizations.

2. Sponsored agreement budget controls.
3. Faculty assignment by Department Reports.

F. FACULTY TIME FOR RESEARCH WORK

A contract or grant may provide a faculty member funds to reduce his/her teaching load in order to spend more time on the project. The concurrence of the Dean and the Departmental Chair is required. Awarded funds should be equal to the amount of the faculty member's pro-rated salary and benefits. With the approval of the Dean, a lower amount will be accepted if this amount is sufficient to cover the cost of salary and benefits for a part-time faculty member to replace the awardee in his/her teaching duties. In either case, the Corporation will reimburse these funds to the State.

G. CLARIFICATION OF REASSIGNED, RELEASED AND REIMBURSED TIME

1. **REASSIGNED TIME**
Reassigned time is paid by the State of California from Instructional Faculty Funds to cover effort that a faculty member devotes to work other than his/her normal teaching load or administrative duties. Corporation funds are not applicable to reassigned time.
2. **RELEASED TIME**
Released time is the time a faculty member is released from normal teaching responsibilities in order to work on a research grant or sponsored project. The faculty member on released time reduces his/her normal teaching load, usually in three unit increments. Departmental Chairs must approve released time.
3. **REIMBURSED TIME**
Reimbursed time is the time for which the State of California is reimbursed for the loss of instructional time through a contract or grant. The Corporation administers reimbursed compensation. Additionally, the Corporation itself may reimburse the state for faculty-released time, generally through two mechanisms: a) Institutional grants and b) Large Grant Reimbursement. Both are described below.
 - a. **Institutional Grants** -- Corporation funds augment State funds provided annually to the campus for the purpose of fostering research. Funding is distributed through an annual Research and Creative activity-competition administered by ORSP. The Research and Grants Committee recommends the rules for the competition, and judge's competitive proposals. Information may be obtained from ORSP or at the ORSP website:
<http://www.csun.edu/research>

- b. Large Grant Reimbursement Program - The Corporation provides reimbursed time funds to the State for faculty whose contracts/grants generate a certain amount of indirect costs. The required annual amount may be cumulative of all contracts/grants received in a fiscal year. If sufficient funding for this program is available, an indirect cost amount of \$9,000-\$17,999 will provide three units of reimbursed time per year, an amount of \$18,000-\$35,999 will provide six units of reimbursed time per year, and an amount of \$36,000+ will provide twelve units of reimbursed time per year. If funds are not available, these minimums may be altered. The Department Chair must approve of each Large Grant Reimbursement.

H. COST SHARING

1. Definitions

Cost sharing refers to the sharing of actual program or project costs. Whenever required, the University will show in the approved budget or other appropriate document which program or project costs will be borne by the University and which will be borne by the sponsor. Cost matching is a specific form of cost sharing, which means that the institution must provide additional resources for the program or project expenses in some proportion to the amount to be externally funded. Cost sharing is agreed upon in advance of proposal submission via the completion of the Grant Data Form. When the award budget differs from the submitted budget, the Office of Research and Sponsored Projects must review the award prior to its acceptance by the Corporation.

The University and Corporation must ensure that cost sharing commitments for grants and contracts are recorded on proposals, accounted for, and reported in a manner consistent with the terms of the individual award and the general requirements set forth in federal or other applicable regulations. Care must be taken during the proposal preparation process to ensure that all potential cost sharing commitments are recognized and approved. All cost-sharing commitments must be clearly stated in the budget explanation of the proposal.

Generally, the University and the Corporation will not approve the offering of cost sharing on a voluntary basis. University and Corporation resources should only be committed in those instances where cost sharing is mandated by a sponsor or is necessary to make a proposal competitive. In all instances, the use of cost sharing should be kept to reasonable and necessary levels. Throughout the life of the project, the Project Director, the University and the Corporation must maintain sufficient documentation to substantiate the actual cost sharing contribution and report the cost sharing to funding agencies upon request. Documentation on cost sharing is subject to audit in accordance with the sponsor, University and Corporation policies.

2. Policy

Cost sharing commitments should only be made when required by the sponsor and then only to the extent necessary to meet the specific requirements of the sponsored project. It is generally not necessary, from a competitive standpoint, to provide an over-match, or to provide any match at all unless required by the sponsor. Proposals that include cost sharing commitments must have a separate schedule included with the proposal that specifically details the resources used to meet the cost sharing claimed and the approval signatures necessary to authorize fiscal commitment.

3. Cost sharing contributions, both cash and in-kind, which require compliance to Office of Management and Budget (OMB) Circular A-110 criteria, must:

- a. Be verifiable from the recipient's records,
- b. Not be included as contributions for any other federally assisted project or programs,
- c. Be necessary and reasonable for proper and efficient completion of the project or program objectives,
- d. Be allowable under the applicable cost principles (OMB Circular A-21, or other sponsor regulations if the sponsor is non federal),
- e. Not be paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching,
- f. Be provided for in the approved budget when required by the sponsoring agency,
- g. Conform to other provisions of Subpart C, Section .23 of OMB Circular A-110.

4. Cost sharing or matching may consist of the following elements used to further project objectives.

- a. Salaries of University faculty or staff who are paid by the University/Corporation, and who devote a percentage of their compensated time to a sponsored project, without receiving reimbursement from the sponsor.
- b. Fringe benefit costs associated with contributed effort as described in Item 1.

- c. Indirect costs foregone, including rent and occupancy costs, where the Corporation requests less than the federally approved negotiated rate, and where the sponsor does not prohibit the use of indirect foregone as cost sharing.
- d. Other direct costs, such as supplies, equipment, non-capitalized assets, or travel that are paid for from allowable funding sources.
- e. Project costs financed by cash contributions by the recipient, or by cash from third parties.
- f. Contributions of services and property donated by recipient or third parties (non-federal public agencies and institutions, private organizations and individuals) provided that the values are established in accordance with applicable cost principles.

5. Cost Sharing Procedures and Responsibilities

During the proposal preparation process, the Project Director, with the assistance of the Office of Research and Sponsored Projects, will:

- a. Determine the need for cost sharing and obtain a copy of the sponsor's written policy (if available).
- b. In consultation with the appropriate department, college, division, or other offices, develop a cost sharing plan that indicates the cost sharing methods and amounts to be used, and the sources of all funding or in-kind donations.
- c. Review the proposal plan with the University Corporation in order to resolve any questions concerning appropriateness, allowability, reporting, and documentation requirements and any other related issues.
- d. Fill out the Grant Data Form to be routed for approval along with the proposal. Be certain that cost sharing obligations are firm commitments that are agreed to in writing by an authorized signer.
- e. Submit the Grant Data Form to the Department Chair, College Dean (or Unit Director and Vice President) and the Office of Research and Sponsored Projects, for final approval of the proposal and cost sharing arrangements.
- f. The Project Director shall take action to ensure, prior to award of the grant or contract or as soon as possible after notification of the

award, that firm commitments in writing are in place to document cost matching. In the event that this is not possible, the Project Director shall obtain a written commitment from the Associate Vice President for Research, to assume full financial responsibility for the matching. Without such documents, the Office of Research and Sponsored Projects may not accept the award on behalf of the University Corporation.

- g. The Project Director shall submit cost-sharing documents identified in Paragraph 6, above, to the Corporation as soon as possible after receipt.

6. Documentation on Cost Sharing/Matching Accounting Will Be Maintained by the Corporation

- a. The University Corporation will maintain the records for all cost sharing contributions identified in Paragraph 7 of the preceding section either by financial or memo record.
- b. For in-kind donations, the Project Director will obtain the required documentation from the appropriate University personnel or third party person/entity responsible for maintaining information about the goods and services used for matching. The Project Director will forward a copy of the documentation to the Corporation for the project folder as soon as possible after receipt. It will be kept as supporting documentation for all entries made to cost sharing accounts. The value and the location (if a tangible asset) of the donation pledged for matching shall be included in the documentation and the valuation shall be made in compliance with this policy.
- c. It shall be the responsibility of the Project Director to document required cost matching on a regular basis and to ensure that the required documents are forwarded to the Corporation. The Corporation will notify the appropriate dean or other responsible administrator in the event that the required documentation has not been provided in a timely way.
- d. The Corporation will follow up with the Project Director to provide advice on the status of matching requirements. This will be done via project reports.
- e. The Project Director shall routinely follow up with the cost-sharing contributors to ensure compliance with their obligations.

The Office of Research and Sponsored Projects will review all cost sharing documentation and will seek to resolve as quickly as possible with the Project Director any potential problems that may be identified. Responsibility for covering costs that are subsequently disallowed by the Sponsor for purposes of cost sharing or cost matching shall be allocated in accordance with the following principles:

- f. If the Office of Research and Sponsored Projects and the Corporation approve the costs as allowable, the Office of Research and Sponsored Projects, the Corporation and the Project Director's department or college shall be equally responsible for covering costs.
- g. If the Corporation did not approve the costs as allowable, the Project Director's department or college shall be solely responsible for covering the costs.

Costs approved by the Corporation as allowable, but which are not in fact provided as originally proposed, are also the sole responsibility of the Project Director's department or college. Disputes between the Corporation and a Project Director over the allowance of a particular item proposed for cost sharing or cost matching, or its documentation, should be referred in writing to the Corporation's Policy Committee for final resolution.

K. MAINTENANCE OF TECHNICAL RECORDS & PROJECT REPORTING

Technical records pertaining to a project must be maintained by the Principal Investigator and documents are to be located in their office and be made available for review at anytime by the request of The University Corporation. Any variations from this policy must be approved by The University Corporation Controller. Project reporting to agencies must be submitted in a timely manner, as per the agency's specifications, and reported to The University Corporation for tracking purposes. Reports must be maintained by the Principal Investigator just as cost sharing reports stated above.

VII. PROPERTY PURCHASED WITH RESEARCH GRANT OR CONTRACT FUNDS OR EDUCATIONAL DEVELOPMENT GRANT FUNDS

A. EQUIPMENT CONTROL

Established procedures for tracking and managing fixed assets are funded through grants, contracts, agencies, student projects, workshops and endowments is outlined in the CSUN Asset Management's Procedures for Accounting for University Corporation Equipment for Grants and Contracts.

B. EQUIPMENT INSURANCE

Equipment purchased by the Corporation is insured against loss or certain instances of damage. Should a piece of equipment become lost or damaged the Corporation must be notified immediately. If equipment is missing or if there is evidence of vandalism, a police report should be filed without delay. To insure adequate insurance coverage, the Corporation must be informed whenever equipment is to be taken off campus. Necessary information includes the equipment's description and tag number, value, date(s) it will be in transit, destination, procedure for moving and length of time off campus.

All loss or damage claims are subject to a reasonable deductible charge.

VIII. POLICY ON INTELLECTUAL PROPERTY

The Corporation shall conform to the University's *Intellectual Property* policies.

IX. CONFLICT OF INTEREST

Principal Investigators shall conform to *Conflict of Interest* policies of the University and the granting agency.

X. RESEARCH MISCONDUCT

Principal Investigators shall conform to *Research Misconduct* policies of the University and the granting agency.

XI. CONSULTANT

A consultant is an individual providing the service of consulting. If there is need for consulting on a University Corporation project then the Project Director must follow the policy on consulting fees approved by the Academic Senate of the General Faculty at its meeting of April 17, 1975.

If the Principal Investigator includes funds for a consultant(s) in a grant proposal, documentation demonstrating justification that meet the minimal standards as set forth in the Policy Manual must be attached to the grant.

XII. SOLAR OBSERVATORY

The Corporation acquired the San Fernando Solar Observatory as a gift in 1976. It is located on property owned by the City of Los Angeles, Department of Water and Power, at the upper Van Norman Lake in Sylmar.

The Solar Observatory is owned and operated by the Corporation for the benefit of the University, with technical management being provided by the Department of Physics and Astronomy, and the School of Science and Mathematics. The Observatory facilities afford the University a unique opportunity to carry out solar research and provide students with direct experience in observational techniques at a modern, well-equipped facility.

A. FUNDING SOURCES

Funding for the operation of the Solar Observatory is obtained from various sources, including the Department of Physics and Astronomy, allocations from the School of Science and Mathematics, research grants, gifts, and donations.

1. *Grant Indirect Costs* - Indirect costs, generated by grants for Solar Observatory projects, are segregated from other indirect costs. Corporation administrative costs, as a percent of total direct expenditures, are deducted from the Observatory indirect cost recovery. The balance of the indirect cost recovery is transferred to the Solar Observatory Reserve Account, which is administered by the Corporation and expended for the benefit of the Observatory.
2. *Solar Observatory Endowment Fund* - Funds from an anonymous gift to the Solar Observatory have been placed in a Solar Observatory Endowment fund. It is anticipated that this fund will eventually be capable of lending significant support to the Observatory.

XIII. RECORD RETENTION

ORSP maintains such records for five years beyond the expiration of the project unless otherwise required by the funding agency. At that time, ORSP will dispose of all its records that are no longer needed, e.g., records not of historical value, unless specifically instructed otherwise by the awarding agency.

The retention schedule for Grant and Contract records maintained by the University Corporation is ten years unless otherwise required by the funding agency. At that time, the University Corporation will dispose of all its records that are no longer needed, e.g., records not of historical value, unless specifically instructed otherwise by the awarding agency.