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Owner: Kerri Helfrick: Mgr Fin Svcs Policy & Training
Area: Business and Finance
Codes: ICSUAM 11001.01

Sponsored Programs Policy Definitions

Policy Objective

Definitions

Allowability: The determination of whether or not costs can be charged to a sponsored project as a direct or F&A cost.

Allocability: A cost is allocable to a particular sponsored project, if the goods or services involved are chargeable or assignable in accordance with relative benefits received or other equitable relationship.

Auxiliary: A CSU organization which is (a) included in the list of auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, infra, and/or (b) which is an organization specified in Education Code Section 89900, which is any organization using the name of the State or a campus, or representing an official relationship with a campus, or in which any campus official participates as a director as part of his official position. **(5 CCR 42400, Definition)**

Campus: In ICSUAM Section 11000 for Sponsored Programs, Campus means either the University or the Auxiliary/Foundation.

Compensated Effort: Compensation for effort consisting of campus assignment, reimbursed time, additional employment, direct pay, and cost share for faculty and staff performing services under Sponsored Projects.

Consistency: A cost is considered to be treated consistently when the expense is treated as either a direct or F&A cost under like circumstances.

Contract: An agreement between the University or Auxiliary and a Sponsor 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.

Contractor: See Vendor/Contractor.

Cost Sharing - Represents that portion of project or program costs not borne by the sponsor (generally the federal government). Cost sharing can be voluntary or mandatory (that is, required by means of a statute or law), and can take the form of either cash or in-kind contributions.

- **Cash:** Represents actual verifiable expenditures from the recipient or from non-Federal third parties - and includes costs incurred by the University or Auxiliary, including indirect costs.
- **In-kind:** Represents the value of all noncash contributions, including services and property provided by

non- Federal third parties.

- **Mandatory:** Required by the sponsor or funding agency supporting the sponsored project. Some sponsors require that the recipient of an award provide some level of cost sharing or matching costs as a condition of receiving the award.
- **Voluntary:** That portion of the project costs that the campus provides on its own initiative when the sponsor does not require cost share or the amount of cost share provided is more than the sponsor's mandatory requirement.
 - **Voluntary Committed:** Quantified and included in the proposal budget and award and becomes a binding requirement of the award.
 - **Voluntary Uncommitted:** Effort that is over and above that which is committed and budgeted for in a sponsored agreement. Voluntary uncommitted effort is not required to be documented or tracked.

Direct Costs: General. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as an award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. See also §200.405 Allocable costs. (From UG **§200.413**)

Facilities & Administrative Costs: See Indirect Costs.

Gift: Any item of value given to the University by a donor who expects nothing of value in return, other than recognition and disposition of the gift in accordance with that donor's wishes. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of good stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."

Grant: A financial contribution 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 require deliverables/progress reports and/or final report - and an accounting of the use of funds or return of unused funds.

Indirect (F&A) costs: Those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (From [UG §200.56](#))

Policy: A definite course or method of action to guide and determine present and future decisions and describe the rules that establish what will or will not be done.

Principal Investigator: 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.

Investigators: ([Sponsored Programs Financial Conflict of Interest; ICSUAM 11010.02](#))

Nongovernmental Investigator: For non-governmentally funded projects, a Principal Investigator ("Investigator") who has primary responsibility for the scientific and technical conduct and reporting of a research project funded by a nongovernmental entity.

PHS Investigator: Investigator means the project director or principal Investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by the PHS, or proposed for such funding, which may include, for example, collaborators or consultants.

NSF Investigator: The term "Investigator" means the principal investigator, co-principal investigators/co-project directors, and any other person at the organization who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

Note: For purposes of policy #11010.02, regardless of funding source, "Investigator" also includes the investigator's spouse/domestic partner and dependent children.

Private Business Use: When space in a tax-exempt, bond-funded facility (TEBFF) is utilized by nongovernmental/non-university entities (including the Federal government); or utilized for purposes that provides a non-governmental entity with special legal entitlements with respect to the use of a TEBFF.

Procedure: Describe the critical steps undertaken to achieve policy intent; internal controls that demonstrate compliance with policies/regulations.

Reasonableness: A cost is reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Recipient: The University or Auxiliary designated as the Sponsored Program Administrator and awarded a Contract or Grant. The Recipient is either 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, department or other constituent unit.

Related Principles: Principles are codified norms, rules, or values that represent what is desirable and positive for the organization.

Research: From [45 CFR 46.102](#), "*Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge.*" The term encompasses basic and applied research. Basic research is defined as systematic study directed toward fuller knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. Applied research is defined as systematic study to gain knowledge or understanding necessary to determine the means by which a recognized and specific need may be met.

Salary Cap - A limitation imposed by the Sponsor on the amount of salary that can be directly charged to projects.

Significant Financial Interest: Anything of monetary value, including but not limited to salary or other payments for service (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options); being an owner, partner, director or officer in a non-publicly held company or entity; and, intellectual property rights (e.g., patents, copyrights) and royalties from such rights. Refer to the [CSU FCOI Disclosure Requirements by Funding Source Chart](#) for specific definitions for each funding source.

Sound Business Practices: A set of practices that contribute to achieving compliance and a targeted level of quality.

Specialized Service Facilities: A Specialized Service Facility (SSF), as defined by 2 CFR 200.468, is an operating unit that provides highly complex or specialized services to internal or external users.

Sponsor: The party/entity paying for services or other economic benefit under a Contract or providing financial assistance/contribution for a project or activity under a Grant.

Sponsored Agreement: A Contract, Grant, or other agreement from the Sponsor to the Campus.

Sponsored Projects: A project resulting from a grant, contract, or other agreement between the Campus and a Sponsor.

Sponsored Program(s): Programs for 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).

Sponsored Program Administrator: The entity (University or Auxiliary) designated by the Campus to administer the Sponsored Program.

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 Sponsored Programs.

Sponsored Program Work Product: Any work created in the performance of a Sponsored Project. 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.

Subaward: An award (subgrant or subcontract) of financial support from a prime awardee/pass-through entity to a qualified organization for the performance of a substantive portion of the programmatic effort funded under the prime award. This term also includes awards made by a sub-recipient to a lower tier subrecipient. It does not include payments to a contractor or payments to an individual that is a beneficiary of the program.

Subrecipient: The legal entity to which a subaward is made and which is accountable for the use of the funds provided in carrying out a portion of the prime awardee's/pass-through entity's programmatic effort under a sponsored project. A subrecipient has responsibility for programmatic and/or administrative decision making and adherence to the applicable sponsor program compliance requirements. The term may include institutions of higher education, non-profit organizations, for-profit corporations, and foreign or international organizations at the discretion of the Federal awarding agency.

University: One of the campuses of the California State University or the Office of the Chancellor.

Useful Guidelines: Non-mandatory, supplemental information about acceptable methods for implementing policy requirements.

Vendor/Contractor: A Vendor/Contractor is responsible for providing goods or services necessary to conduct the research or other programmatic effort, but is not responsible for the results of the research or effort. Vendors/Contractors provide similar goods or services to many different purchasers. A Vendor/Contractor is only required to meet the terms of the procurement agreement and is not subject to compliance requirements of a Federal (or other) Sponsor.

Policy Operational Content

Applicability and Areas of Responsibility

Resources and Reference Materials

Useful Guidelines

Related Principles

Sound Business Practices

Laws, State Codes, Regulations and Mandates

All revision dates:

4/1/2018

Attachments

No Attachments

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