

## **Policy on Principal Investigators' Duties and Responsibilities on Sponsored Projects**

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### **I. Introduction**

CSU, Chico encourages campus personnel, especially faculty, to seek external funding and engage in projects related to the mission and goals of the University. In particular, CSU, Chico supports seeking funds for projects that further faculty development, provide student opportunities, secure equipment, serve the community and otherwise provide additional resources to the campus. A Principal Investigator's (PI's) efforts in engaging in such activities are important to the University, and the time and energy involved in these endeavors are appreciated. While involved in these efforts, Principal Investigators (PIs) assume a number of duties and responsibilities described below. Note that co-PIs assume the same responsibilities as PIs and the term PI below refers to both PIs and co-PIs.

### **II. Policy Statement**

This policy sets forth or refers to guidelines, general rules and procedures that must be followed in conducting externally sponsored projects through Chico State Enterprises (CSE). This policy follows requirements of the CSU Chancellor's Office [Integrated CSU Administrative Manual 11002.01](#) (ICSUAM 11002.01) addressing general policy requirement for the administration of grants and contracts in support of externally funded research and sponsored program activities.

PIs are ultimately responsible for all aspects of their sponsored projects, including scholarly activity and the proper stewardship of sponsor funds. PIs have the responsibility to be informed of all matters contained in this policy, to ask questions and request assistance from CSE staff in carrying out projects, and to effectively train and supervise project personnel.

PIs operate under the supervision of the department chair and the college dean or other administrative unit supervisor. **Please note that cost overruns or deficits in grant/contract and campus program accounts are ultimately the responsibility of the PI's college or other "home" administrative unit.**

### **III. General Responsibilities**

In conducting sponsored projects, PIs should keep the following in mind as well as the requirements of ICSUAM 11002.01.

#### **Award Documents/Contracts/Legally Binding Agreements**

Chico State Enterprises is the legal Recipient and the Sponsored Program Administrator as set forth in ICSUAM 11002.01 for all contracts or award documents. All award documents must be reviewed, approved and signed by a CSE authorized signatory.

Other types of legally binding agreements, including leases, facility rentals, independent contractor agreements or any agreement that invokes risk or a liability to CSE, need to be sent to CSE for review, approval and signature. Only CSE personnel may sign documents and legally bind Chico State Enterprises.

#### **Fiduciary Responsibility**

The University has entrusted to PIs and CSE the fiduciary responsibility for externally funded projects. Therefore, PIs and CSE staff need to work together in proposing, negotiating and conducting sponsored projects.

#### **Audits**

Chico State Enterprises undergoes an annual 2CFR200 Subpart F audit (commonly referred to as a Single Audit) and is also subject to other types of audits conducted by the CSU system and Federal, state and local government agencies. Thus, CSE is required to meet generally accepted accounting standards and other compliance requirements in the preparation and submission of proposals, in conducting the work of projects, in the expenditure of funds and in the financial reporting of all sponsored projects.

#### **Expenditure Authorization**

When a project is established, CSE prepares and sends the PI a project-specific electronic award packet. PIs should carefully review this information and inform CSE of any questions or concerns.

Included in this packet will be a "Signature Authorization Form." This document must be completed and signed by the PI and anyone he or she designates as an authorized signatory for project expenditures. This form is kept on file at CSE as a reference for staff approving project expenditures. PIs are responsible for ensuring that all expenditure documents submitted to CSE for approval and processing are signed only by those indicated on the Signature Authorization Form and for notifying CSE when the form should be updated.

#### **Project Account Information**

CSE provides CDD.Net (Internet/on-line access) for all project accounts. This access allows CSE PIs to track and verify the accuracy of project expenditures. PIs are responsible for reviewing their projects on a regular basis and notifying CSE if they detect errors or anticipate

any problems with the project budget. PIs should contact CSE staff for assistance when needed to ensure the accuracy of all project accounts.

PIs can sign up for and designate other staff to have access to CDD.Net and their project accounts. There are several reports available on CDD.Net that provide current expenditure information. [CDD.Net sign-up information](#) and [instructions](#) can be found on the CSE website. PIs should contact CSE for assistance with CDD.Net.

### **Personnel/Hiring**

PIs must comply with the CSE's personnel policies and confer and cooperate with the CSE Human Resource Director in all matters related to personnel including recruitment, management, evaluation and termination of employees. CSE is legally responsible for meeting federal and state laws and regulations governing all aspects of employment.

### **CSU, Chico Services Centers**

If campus services are used in conducting the project, PIs should be aware that there can be a delay of 30 to 60 days before Charge Authorization Forms (CAF's) post to CSE accounts. Chico State Enterprises has no control over the timing of these charges. CSE processes CAFs within a week of receipt from the University Business Office. Project Investigators need to keep the CAFs as well as other outstanding obligations (e.g., purchase orders, independent contractor payments, payroll, etc.) in mind when reconciling project accounts.

## **IV. Submission of Proposals and Acceptance of Awards**

### **Proposals**

All proposals, including pre-proposals, for externally funded projects must be submitted through CSE where final submission approval rests. Proposers should work closely with CSE staff from the earliest moment possible prior to the submission of a proposal, including continuation proposals. Only the Chico State Enterprises CEO and designated CSE managers can sign proposal documents on behalf of the university and CSE. See ICSUAM 11002.01 regarding campus approvals required prior to submission.

### **Negotiations**

CSE staff must be involved in negotiations concerning the budget, scope of work and language of the award document or contract. The CEO of Chico State Enterprises and CSE managers have the final authority to agree to the terms and conditions of an award and sign award documents. The PI should contact CSE before engaging in final negotiation on any award, including continuations, and work with the staff to reach agreement with the sponsor. **Please note:** Facilities and Administrative Costs (also called "Indirect Costs") may only be negotiated by the Chico State Enterprises CEO.

### **Conflict of Interest**

PIs must disclose significant financial interests at the time of proposal submission and update this information as new financial interests are obtained during the life of the award. Awards cannot be accepted until any conflicts of interest are resolved. For projects funded by a nongovernmental sponsor, PI's must also file a project completion statement within 90 days of the expiration of a contract or grant.

### **Debarment and Suspension**

During the proposal submission process, all PIs are required to certify that they have not been debarred, suspended, proposed for debarment, excluded or disqualified under the Federal Government's nonprocurement common rule. If their status changes during the life of a project, PIs are responsible for immediately notifying CSE.

### **Responsible Conduct of Research (RCR) Training**

To meet the requirements of the National Science Foundation, the US Department of Agriculture's National Institute of Food and Agriculture and National Institutes of Health regarding training for various project personnel in the Responsible Conduct of Research, PIs are required to

- Provide lists of all appropriate personnel participating in their research grant during the life of the award.
- Ensure that all appropriate personnel complete the required training module(s) at the Collaborative Institutional Training Initiative (CITI) site prior to, or within 90 days of beginning work on the project.
- Communicate with their CSE Grant/Contract Analyst regarding potential additional funder-specific RCR training requirements.

### **When to begin work on your project**

In keeping with the requirements of ICSUAM 11002.01, work must not begin and expenses may not be incurred on a sponsored project until CSE establishes a project account and gives the PI approval to begin work on the project.

### **Project Management**

PIs are responsible for overseeing the conduct of the project (including the work of collaborators and sub-recipients), managing the budget, and ensuring that the project goals and objectives are accomplished.

### **Delegation of Responsibilities**

Each PI has responsibility for the management of his/her project. **This responsibility cannot be delegated.** This duty encompasses all aspects of the project: fiscal, programmatic and general compliance requirements.

### **Project Changes**

If PIs find that changes are necessary during the conduct of a funded project, including budget, cost share, scope of work, key personnel and/or language changes, the CSE Grant/Contract Analyst assigned to the project should be contacted. A change in PI on a funded project

constitutes a change in key personnel and requires sponsor and campus approvals. Most funding agencies require prior written approval for amendments. Only the Chico State Enterprises CEO and designated CSE managers can sign and otherwise assent to amendments. In most cases, agencies require submission of amendments for language or budget changes or time extensions 30-45 days prior to the project's end.

### **Fiscal Management**

PIs are expected to know and adhere to the sponsor's specific regulations and follow all other rules and regulations that govern the conduct of projects operating under the legal auspices of CSE. The Grant/Contract Analyst will assist PIs in learning and interpreting fiscal and other compliance regulations that pertain to each project. New PIs are required to attend an orientation meeting at the beginning of their projects. Grant/Contract Analysts are available to meet with all PIs for a "Start-up" meeting at the beginning of each project and to meet as needed during the life of the award.

When submitting expenditures against projects, PIs are responsible for ensuring that the costs are allocable to the project charged and are allowable and reasonable. Below is general information concerning allowable/unallowable, allocable and reasonable costs. PIs should contact their Grant/Contract Analysts for additional information.

#### *Allowable and Unallowable Costs*

2CFR200 – Subpart E Cost Principles states the federal government definitions and examples of allowable and unallowable costs. The campus policy is to follow these rules and definitions for all projects.

Examples of Allowable Costs: Direct costs related to the specific scope and objective of the project such as personnel, communications, operating supplies and materials, travel, equipment and other project related costs.

Examples of Unallowable Costs: Alcoholic beverages, bad debts, alumni activities, commencement and convocation costs, donations and contributions, entertainment costs, and lobbying costs.

#### *Allocable costs*

A cost is "allocable" to a particular cost objective (i.e., a specific function, project, sponsored agreement) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits the project receives.

#### *Reasonable Costs*

A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved, reflect the actions a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

### **Independent Contractors (ICs)/Subcontractors**

Many projects have provisions for use of Independent Contractors (also called consultants). If an IC or subcontractor is not named in a proposal, PIs must conduct a bidding process to secure

services of \$5,000 or greater. CSE staff are available to advise PIs on this process and to develop subcontracts. Additionally and in accordance with 2 CFR 200.30 (c) (iv) funding agency approval must be obtained prior to subcontracting out of any work. Only CSE managers are authorized to sign Independent Contractor Agreements and subcontracts.

**Please Note:** No work should be authorized until a fully executed IC or subcontractor agreement is in place and any required funding agency approvals have been obtained.

### **Additional Employment**

CSU faculty and staff working on CSE projects and being paid for work performed above their regular appointments are set up on CSE payroll and charged directly to the specific project.

Chancellor's Office Policy HR 2002-05 limits time worked beyond an exempt employee's primary assignment where the work is of a substantially different nature from the employee's primary assignment or, for faculty, where the work is paid for by other than CSU general fund dollars, or is the result of part-time employment on more than one campus. Additional employment is allowed up to a maximum of 125% of time (not salary) for all campus activities paid through any campus entity, including work performed on sponsored projects.

**Please Note:** All employees are responsible for monitoring their additional employment time to ensure compliance with the Chancellor's Office policy. **Additional employment on federal grants must be included in the budget approved by the sponsor.**

**Academic Year Faculty–AY Additional Employment** includes only work performed during the Academic Year above the faculty member's assigned University AY appointment up to 125%. For example, a full-time (100% time) faculty may work 25% overload or a total of 170 hours during the 17 weeks in each semester or 340 hours during a full academic year. **Non-AY Additional Employment** should be monitored separately and includes Intersession, Fall and Spring breaks and Summer salary. Faculty members can work up to 125% during these time periods. Any additional campus activities resulting in compensation by the State, such as teaching an Intersession or Summer-school class or being paid as a Special Consultant, must be counted towards the 125% time limit for this non-AY period.

**Twelve-Month Faculty and Exempt Staff Additional Employment** includes compensation for time worked above the twelve-month appointment or during the individual's claimed vacation periods. The 125% limit for 12-month faculty and staff applies to the calendar year.

**Twelve-Month Non-exempt CSU Staff Additional Employment** should be infrequent, but when considered, the following options are available:

- Reduce the time-base of the primary position so the total appointments do not exceed a 100% time-base; or
- Pay the employee the appropriate overtime in accordance with all applicable laws, rules and policies.

### **Faculty Reimbursed Time (Buy-Outs)**

When a faculty member is released from his/her regular University duties and all or a portion of his/her compensation is reimbursed back to the College by the faculty member's CSE project, the faculty member continues to be paid by the University for his/her full appointment. The reimbursement takes place through a purchase order and invoice process between the University and CSE. PIs are responsible for working with their Deans/Department Chairs and/or other appropriate unit administrator(s) when submitting proposals requesting reimbursed time for them or for other University faculty or staff.

Any changes in time committed to the project must be reported to and approved by the PI's CSE Grant/Contract Analyst as well as the PI's dean and department chair prior to the proposed date of the change.

### **Reporting**

PIs are responsible for timely submission of all programmatic reports, deliverables or other information required by the terms and conditions of the award. PIs are also responsible for providing the CSE Grant/Contract Analyst assigned to the project any information required to complete financial reports. Evidence that programmatic reports have been submitted to the funding agency (e.g., cover page, online verification, or email confirmation) must be forwarded to CSE for the project file. PIs may only submit fiscal data to a funding agency with CSE's prior review and approval.

### **Cost Share (Match)**

Cost share must be a *mandatory* requirement of the funding agency. Cost share represents the portion of the costs of conducting a sponsored project contributed by parties other than the prime sponsor. Contributors may include the University, one of its auxiliary foundations, third-party entities, and individuals. Cost share can be in the form of cash or in-kind.

Cost share that is described and quantified in the narrative of a proposal, even though it is not included in the budget, becomes a requirement of the award and must be documented.

PIs are responsible for securing all required cost share and submitting documentation to CSE for verification and audit. A policy on [Cost Share](#) is available on the CSE web site. CSE has final authority to determine what constitutes valid cost share and what documentation is required for audit purposes. Mandatory cost share that is not valid or properly documented can result in cost disallowances that become the responsibility of the PI's home administrative unit. CSE Grant/Contract Analysts are available to answer questions about cost share.

### **Program Income**

Income generated by activities undertaken in the performance of an award is "program income." 2 CFR 200.307 specifies how program income earned during the conduct of a federal project may be used:

- a. Added to funds committed to the project or program by the Federal awarding agency and recipient and used to further eligible project or program objectives.
- b. Used to finance the non-Federal share of the project or program.
- c. Deducted from the Federal share of the total project or program allowable costs.

For Federal awards made to Institutions of Higher Education (IHEs) and nonprofit research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, paragraph (a) above will apply.

### **Retention of Records**

Funding agencies require Chico State Enterprises to retain records on closed awards for a specified period to provide time during which they may access the records for audit. CSE is required to retain records for all years of a competitive segment of an award for a minimum of three years after the final financial report has been submitted. (A competitive segment is multi-year funding awarded over a project period in one-year budget period increments that references the same grant/contract number.) If closed project files are the subject of audits, appeals, litigation or the settlement of claims arising out of the performance of the project, CSE is required to retain these records until resolution is reached.

PIs or their College/Administrative Home are responsible for maintaining programmatic reports, data and other information required by the funding agency, for a required retention period specific to each project. The Grant/Contract Analyst can provide the PI with the required retention period.