



PROJECT ADMINISTRATION GUIDE

For use by principal investigators and their staff in conducting sponsored projects and campus programs administered by San Diego State University Research Foundation.

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FOREWORD

This Project Administration Guide (PAG) is designed to inform project directors, principal investigators and their staff about San Diego State University Research Foundation and its operating procedures.

The PAG broadly covers those policies and procedures that most directly affect you and is meant to be used as a general information source only. For details not provided, you are encouraged to contact the sponsored research grant specialist who has been assigned to provide your project with administrative support.

SDSU Research Foundation reserves the right to change any of the policies or procedures in the PAG at any time. The PAG is not intended to create, nor is it to be construed to constitute, a contract between SDSU Research Foundation and any of its employees, principal investigators or other project staff. Future SDSU Research Foundation policies and procedures, including changes to those presented here, will be made available as updates occur.

Comments and questions concerning the PAG are welcome at any time.

*Michele G. Goetz
Acting Executive Director
SDSU Research Foundation*

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I. SDSU RESEARCH FOUNDATION

A. Background and Overview

San Diego State University Research Foundation (SDSURF, SDSU Research Foundation or research foundation) was incorporated in 1943 as an auxiliary organization to augment the educational, research, and community service objectives of San Diego State University (SDSU). SDSU Research Foundation is governed by a board of directors and is organized by these major functions: finance and operations; facilities planning and management; human resources; and sponsored research services. The research foundation serves the university in many ways, but its core function is to assist SDSU faculty and staff in developing and administering externally-funded projects.

B. Board of Directors

SDSU Research Foundation, as a nonprofit corporation, is governed by a board of directors in accordance with its Articles of Incorporation and Bylaws. The principal function of the board is to establish policies and guide the corporation in achieving its mission and objectives. According to the bylaws, the board of directors consists of two groups:

- **Ex officio Directors:** The president, provost, vice president for research, vice president for business and financial affairs, and president of Associated Students of SDSU;
- **Directors Elected by the Board of Directors:**
 - Four SDSU faculty members recommended by the senate, nominated by the president, and elected for four-year terms
 - Up to eight individuals at least five of whom are "public" members from the community, nominated by the president and elected for three-year terms.

SDSU Research Foundation's executive director reports to the board of directors, serving as the liaison between the board and a staff that implements all board policies. Total SDSU Research Foundation employees number approximately 2,000 including 160 central staff members.

C. Research Foundation Management

1. Finance and Operations

The primary function of this division is to ensure the responsible stewardship of sponsored funds and to ensure efficiency and cost effectiveness in SDSU Research Foundation operations. Finance & operations departments include: finance and accounting, financial systems, investments and financial reporting, business services and computing services.

More information about these services can be found at <http://www.foundation.sdsu.edu/finance/index.html>.

2. Facilities Planning and Management

This division identifies, acquires, and manages property in support of sponsored programs not housed in university facilities. Facilities staff manage nearly 1,000,000 square feet of property owned by SDSU Research Foundation and lease non-foundation-owned space for various research projects off-campus. The division provides all services required for housing qualified researchers including tenant improvements, furniture procurement, copier/fax procurement, shipping and delivery, mail, moves, equipment tagging, shredding, storage, and maintenance.

More information about these services can be found at <http://www.foundation.sdsu.edu/facilities/index.html>.

3. Sponsored Research Services

Approximately two-thirds of SDSU Research Foundation's annual revenue is received in the form of grants and contracts awarded to conduct research, educational and other sponsored projects. SDSU Research Foundation administers grants and contracts in accordance with all regulatory sponsor-specific terms and conditions and CSU Executive Order 890, Administration of Grants and Contracts. Through the efforts of SDSU faculty, 1,050 proposals were submitted during the year ended June 30, 2015, resulting in over \$120 million in grant and contract awards.

The sponsored research services division consists of three units dedicated to assisting faculty with pre- and post-award activities.

Sponsored Research Development (SRD)

Often known as the "pre-award" unit of SDSU Research Foundation, the sponsored research (SR) development unit assists SDSU faculty in all aspects of proposal preparation and submission. The SR development department assists SDSU faculty and staff interpret sponsor agency guidelines, develop and submit pre-proposals and proposals, develop budgets, facilitate approvals and compliance items, and negotiate and transition awarded proposals to sponsored research contracting and compliance. In addition, employees conduct workshops and many other activities to assist faculty in obtaining sponsored funding.

More information about these services can be found at <http://www.foundation.sdsu.edu/srd/index.html>.

Sponsored Research Contracting and Compliance (SRCC)

SRCC works with, and includes functions of, both pre-and post-award. SRCC is primarily responsible for negotiating favorable terms and conditions on awards issued to SDSU Research Foundation; initiating the sub-agreement process on those awards that involve collaborating organizations; and working closely with SDSU's division of research affairs to ensure compliance with university, SDSU Research Foundation, and sponsor policies in areas such as human subjects,

animal subjects, conflicts of interest, environmental health and safety, cost-sharing, and export controls.

More information about these services can be found at <http://www.foundation.sdsu.edu/srcc/index.html>.

Sponsored Research Administration (SRA)

Also known as "post-award," the sponsored research administration department serves two primary functions: a) providing support and assistance to faculty on the administration, compliance and fiscal management of grants and contracts awarded from federal, state and local government and private funding agencies, while b) ensuring that funds are expended in accordance with the terms and conditions of the funding agency, SDSU Research Foundation policies and procedures and SDSU and CSU regulations. In addition to externally-funded research and scholarly activities, the SRA department is responsible for the administration of gift funds on behalf of The Campanile Foundation, SDSU's campus and community programs, as well as institutional allocations and research support funds.

Post-award grant specialists work with principal investigators and their staff to provide services related to overall fund management including expenditure review, budget projections, financial reporting, effort certification, and the management of sub-awards. They also work with PIs to request prior approvals and clarification of agency terms and conditions. Grant specialists act as liaisons with other SDSURF departments for principal investigators and their staff; they work with human resources, facilities, accounts payable, purchasing, and finance to facilitate requests pertaining to the operation of funded projects.

More information about these services can be found at <http://www.foundation.sdsu.edu/sra/index.html>.

4. Office of Communications

The office of communications is responsible for the overall communications of SDSU Research Foundation, including communication with sponsors, SDSU principal investigators (PIs), employees, the media, and other internal and external constituents.

An important component of this communication is the grant information function. Office of communications staff are responsible for the identification and dissemination of grant information to the university community. The office receives and distributes information about federal, state, and private funding sources. The office of communications provides program guidelines and application materials, information about agencies and the federal budget, maintains a file of sample funded proposals, facilitates a series of grant-related workshops, and issues weekly bulletins announcing funding opportunities to SDSU faculty and staff.

More information about the office of communications can be found at <http://www.foundation.sdsu.edu/communications/index.html>.

5. Human Resources

Human resources is responsible for the recruitment, selection, hiring of SDSURF employees, and classification of all positions. In addition, it is responsible for the development, maintenance, and enforcement of policies affecting employees. This department also manages employee relations, compliance with labor laws, employee training, non-immigrant visa matters, and the administration of employee benefits and workers' compensation. Human resources is responsible for SDSURF risk management and insurance matters.

More information about these services can be found at

<http://www.foundation.sdsu.edu/hr/index.html>.

D. Public Records Requests

When a request for information is made to SDSU Research Foundation regarding accounts, projects or activities, the following guidelines apply:

Non-University/SDSU Research Foundation Requests for Project Information

The following information may be disclosed to any person requesting information:

- Project name
- Amount of award
- Name of sponsor
- Project period.

All other inquiries should be referred to the principal investigator (PI). Inquiries from the press (newspaper, television, radio, Internet) should be forwarded immediately to SDSU Research Foundation's director of communications.

University/SDSU Research Foundation Requests for Project Information

Requests for information from PIs relating specifically to an SDSU Research Foundation project that they are responsible for should be granted, including inspecting any records relating to the project. Requests for information from PIs regarding an SDSU Research Foundation project they are NOT responsible for should be in writing and directed to the Director of Sponsored Research Administration.

Any requests for information from a school/college dean will be granted when the PI of the project is a member of the faculty or staff of the same school/college.

E. General Information

Requests for copies of SDSURF's annual report, including audited financial statements, should be referred to the executive office or online at http://www.foundation.sdsu.edu/about/requests_for_information.html#financials. Copies of SDSU Research Foundation's annual audited financial statements are available online at http://www.foundation.sdsu.edu/about/financial_statements.html

These statements are also available for review in the Reserved Book Room of SDSU's Love Library.

As required by the Internal Revenue Service, SDSU Research Foundation must comply with requests made for SDSU Research Foundation's tax returns in a timely manner including Form 990 and all schedules and attachments. Any requests related to tax returns should be referred immediately to the chief financial officer.

II. PROJECT ADMINISTRATION

The administration of sponsored projects requires a collaborative effort between the principal investigator (PI) and the sponsored research services (SRS) staff, each with their own unique set of responsibilities. This section outlines the general responsibilities of the PI and the SRS pre- and post-award staff, presents an overview of project management focusing on the role of the PI, and provides PIs and their staff with the policies, documentation and forms needed to manage their projects successfully.

The following is a quick reference guide to various activities that occur during the life of a project:

Activity	Initiated By	Forms to be Completed	Time Frame	Submit To	Special Conditions
Development and Preparation of Proposal Application	PI	Sponsor format	Varies depending on sponsor requirements, notification of opportunity, etc.	SRD Development Specialist (pre-award)	The PI will work collaboratively with the SRD Development Specialist to ensure guidelines are followed and budget is accurately prepared
Approval of Proposal Application	PI	SDSU Proposal Routing Form (via InfoEd electronic routing system)	Within 5 days prior to proposal submission deadline	SRD Development Specialist	All proposals must be routed and approved prior to submission
Submission of Proposal Application	PI with assistance from SRD Development Specialist	Sponsor format	2-5 days prior to sponsor deadline	SRD Development Specialist	Proposal must be routed and approved prior to submission
Authorization to Expend Funds	SRD Development Specialist	SDSURF Authorization to Expend Funds	Initiate before receipt of an award and with substantial assurance from the sponsor that the award is in progress	SRD Director	A prior authorization is only considered when the start date of an award is imminent and the project must begin prior to receipt of official award document
Pre-award spending	PI	Institutional Prior Approval System Request Form (IPAS)	Within 90 days prior to the start date	SRA Grant Specialist (post award)	Only applicable for specific types of federally-funded awards

Activity	Initiated By	Forms to be Completed	Time Frame	Submit To	Special Conditions
Establish fund number & input budget	SRA Grant Specialist	N/A (Internal)	Upon receipt of award	N/A	
Identify individuals authorized to spend project funds	PI	Signature Authorization Form	During initial set up of project	SRA Grant Specialist	Until form is returned, only the PI is authorized to incur expenses on the fund
Setup project staff on payroll	PI	N/A	Prior to start of employee appointment	Human Resources Business Partner	All employee appointments are handled by SDSURF Human Resources using the iCims software. See PAG Section VI Human Resources
Initiate new subagreements	PI, SRA Grant Specialist or SRCC Analyst	See Specialized Categories of Expenditures - Subagreements	Before subrecipient begins working	SRCC Analyst	May require sponsor approval if not included in approved budget
Purchase materials & supplies	PI or Authorized Staff	Purchase Requisition; Disbursement Request (see website link below)	Purchase Reqs. - in advance of purchase; Disbursement Request for reimbursement of purchase	SRA Grant Specialist	See PAG Section III. Purchasing
Purchase equipment	PI or Authorized Staff	Purchase Requisition and Abstract of Quotations if applicable	Recommend well in advance of needing equipment	SRA Grant Specialist	Check terms of award for equipment definition and title restrictions. See Sections II-L and III. Purchasing
Purchase materials and supplies via Procurement Card Program	PI or Authorized Staff	PCard Remittance Form (see website link below)	As needed	Procurement Program Administrator MC-1947	See PCard Policy and Procedure Manual (see website link below)
Cost-sharing documentation	PI and SRA Grant Specialist	Provide original source documentation	As expenditures are incurred during life of award	SRA Grant Specialist	See cost-sharing policy & procedures, in Project Administration Section II

Activity	Initiated By	Forms to be Completed	Time Frame	Submit To	Special Conditions
Travel expenditures	PI or Authorized Staff	Disbursement Request Travel Reimbursement Request; Mileage Reimbursement (see website link below)	Advance and if applicable, Foreign Travel Questionnaire -30 days prior to travel date; Travel Reimb -within 30 days of travel dates.	SRA Grant Specialist	Check for sponsor travel restrictions prior to making travel arrangements; See Section V. Travel .
Misc. cash advances	PI or Authorized Staff	Disbursement Request (see website link below)	Recommend 10 days prior to needing funds	SRA Grant Specialist	Advances must be cleared within 60 days of issuance
Consultants	PI or Authorized Staff	Independent Contractor Form (see website links below)	Before work begins	SRA Grant Specialist	SDSU employees must be paid through SDSURF Payroll; Consulting Agreement may be required for agreements in excess of \$5,000
Fellowship, Scholarship and Stipend Payments	PI or Authorized Staff	<ul style="list-style-type: none"> •Fee Authorization Request •Fellowship/Scholarship Payment Request •Notice to Recipients of Scholarships and Fellowships 	Prior to expenses incurred and/or in accordance with sponsor's terms and conditions	SRA Grant Specialist	See Section II. Item G-5.f. Scholarship/Fellowship/Payments to Individuals and H. Rebudgeting and Other Changes to the Project
Technical reports	PI (see reporting requirements by award in PI Profile)	Sponsor format	Sponsor designated dates (usually annually and/or 60-120 days after project end date)	Sponsor with copy to SRA Grant Specialist	PI responsible for record retention for all technical notes and reports.
Budget Adjustments	PI	Sponsor format or SDSURF budget adjustment form	Normally prior to exceeding budgeted line item	SRA Grant Specialist	See Section II, Item H. Rebudgeting and Other Changes to the Project
Carryover of unexpended fund balances	PI and SRA Grant Specialist	Sponsor format	Sponsor designated typically 60-120 days after end of budget period	SRA Grant Specialist and/or Sponsor	See Section II Item H. Rebudgeting and other Changes to the project

A partial list of forms and information available through the website:

▪ Purchase Requisition	http://www.foundation.sdsu.edu/xls/purchasing_purch_req_standard.xls
▪ Abstract of Quotation	http://www.foundation.sdsu.edu/doc/purchasing_abstract_of_quotations.doc
▪ Disbursement Request	http://www.foundation.sdsu.edu/forms/index.html#ap
▪ Independent Contractor Form	http://www.foundation.sdsu.edu/xls/ap_fa_ic.xls
▪ Travel Reimbursement Request	http://www.foundation.sdsu.edu/xls/ap_fa_travel_reimb_2013.xls
▪ Mileage Reimbursement Form	http://www.foundation.sdsu.edu/xls/ap_fa_mileage_reimb_2013.xls
▪ Budget Adjustment Request	http://www.foundation.sdsu.edu/xls/sra_budgetadjustment.xls
▪ PCard Remittance Form	http://www.foundation.sdsu.edu/pdf/pcard_ch_remit_form.pdf
▪ PCard Policy and Procedure Manual	http://www.foundation.sdsu.edu/pcard/index.html

A. Responsibilities of All Parties Involved in the Administration of a Project

1. Definition/Role of the Principal Investigator (PI)

A single PI or project director must be identified for every proposal. While there may be any number of “co-investigators,” there must be one individual who is ultimately responsible for conducting the project or program, completing required reports and deliverables, and is the single point of contact for the funding agency and SDSU if the proposal is funded.

In accordance with CSU Executive Order 890, SDSU has defined a PI as a faculty member of the university, an adjunct faculty member or research faculty member. Faculty may or may not have tenure, while adjunct faculty have no additional support from the university other than approval to submit proposals and conduct research utilizing university resources. Research faculty are not tenured.

Some colleges and departments have specific guidelines on PI status; the PI should check with her/his department and/or college to ensure that he/she meets any specific eligibility requirements.

Students submitting proposals must be sponsored by a faculty member who acts as the designated PI. The student may be listed as a co-investigator, but may not be the point of contact for the project.

Some colleges and departments may allow an SDSU staff member to serve as a PI, with the approval of the SDSU vice president for research.

In some circumstances, an SDSU Research Foundation management employee may serve as PI, with the approval of the SDSURF executive director and the SDSU vice president for research.

The PI has responsibility for understanding funding opportunity guidelines when applying for extramural funding. The PI must also comply with university policies regarding the review and approval of proposal submissions. To act as a PI,

he/she must meet certain criteria which are outlined in CSU Executive Order 890. The PI must be prepared to perform the activities described in the proposed project if the application is chosen for an award, and to work collaboratively with research foundation post-award and sponsor agency staff to ensure successful administration and progress of the awarded project. If the project includes the use of human/animal subjects, environmental health and safety issues, or requires disclosure of significant financial interests or conflicts of interest, the PI must comply with SDSU policies related to these areas.

The PI has dual responsibility for complying with the financial and administrative policies of the award while achieving the technical success of the project. Even though the PI may have administrative staff to assist in the management of sponsored projects, the ultimate responsibility for the successful completion of the scope of work and the management of research dollars rests with the PI.

In addition to completing the scope of work as prescribed in the funded proposal, the PI must responsibly initiate expenditures on the award, ensure timely submission of expenses for reimbursement, submit required progress reports, and comply with applicable sponsor rules and regulations during the day-to-day operation of the project and when making any changes to the scope of work or funded budget.

The PI will maintain a close working relationship with the sponsored research administration (SRA) grant specialist assigned to manage her/his funds. The PI will also have a good understanding of the procedures associated with initiating financial transactions, making budgetary changes and revising the scope of work. In addition, the PI is responsible for retaining and storing of all programmatic technical materials and reports in accordance with SDSU Research Foundation record retention requirements (see Fund Closeout [K](#)).

Satisfactory progress on individual grants and contracts is determined by the funding agency on a project by project basis. Any issues and/or concerns with the performance of a PI regarding adherence to SDSURF policies and procedures will be initially addressed with the PI by sponsored research administration and/or human resources depending on the issue. If the PI is non-responsive or if the response does not result in adherence to research foundation policies and procedures, the situation will be referred to the dean of the college and/or the vice president for research as necessary for assistance and resolution. SDSURF relies upon the university's evaluation procedure for faculty as the formal process for performance evaluations.

2. Role of the Sponsored Research (SR) Development Specialist

The assigned SR development specialist will work collaboratively with the PI throughout the development, submission, and subsequent award (or declination) of proposals. The development specialist will:

- a. ensure that the PI follows the guidelines of the funding opportunity
- b. develop budgets that are prepared accurately and comply with sponsor, university, and SDSURF requirements
- c. ensure that proposals are reviewed and approved appropriately

- d. ensure that any additional materials or processes are completed after the proposal has been submitted
- e. assist with the transition of the proposal to SR administration if the application is chosen for an award.

The SR development specialist will facilitate the review of compliance materials by the Division of Research Affairs or other designated university departments. If the application is declined by the sponsor, the SR development specialist will assist the PI with resubmission of the proposal if he/she decides to resubmit the application.

3. *Role of the Sponsored Research Contract and Compliance (SRCC) Analyst*

The assigned SRCC analyst works collaboratively with the PI, SR development specialist, SR grant specialist and the SDSU Division of Research Affairs in awarding/prioritizing of new projects. This collaborative effort includes ensuring that compliance-related issues such as animal and human subjects, conflicts of interest, financial disclosures, and any other compliance matters are current prior to awarding proposals. Analysts also work in tandem with SR Development, SR Administration and the PI to develop new sub-agreements and amendment documents for sub-recipient entities.

4. *Role of the Sponsored Research Administration (SRA) Grant Specialist*

SDSU Research Foundation is committed to assisting PIs in the administration of sponsored research and other activities. SDSU Research Foundation has multiple sponsored research administration offices located both on and off-campus to provide PIs with on-site administrative support. PIs are generally matched with an SRA grant specialist located in the sponsored research administration office closest to their project offices. The assigned grant specialist will typically manage all of the SDSU Research Foundation and The Campanile Foundation funds associated with each PI, allowing the grant specialist to have a better overall picture of a PI's financial resources and providing PIs with one individual to assist them in the management of their funds.

Throughout a project's duration, the grant specialist establishes and monitors funds, provides PIs with an outline of sponsor regulations, SDSURF policies and procedures and reporting requirements for each fund, and monitors expenditures to ensure compliance with federal regulations, agency specific requirements and SDSU Research Foundation policies and procedures. The grant specialist also provides services related to overall award management including ensuring fiscal reports are submitted in a timely manner, acting as a liaison between the project and the sponsoring agency and interpreting SDSU Research Foundation and sponsor regulations and policies.

SRA grant specialists also conduct "Orientation Meetings" for PIs to provide an overview of SDSU Research Foundation services available to assist them in the startup and management of their projects and/or review the specific requirements of a new award.

5. Role of SDSU Administration

All externally funded grants and contracts are awarded to SDSU Research Foundation for the benefit of SDSU. Accordingly, appropriate SDSU Research Foundation officials are required to review and approve proposals before an award can be accepted. Proposals are reviewed and approved using SDSURF's InfoEd system-to-system software, which includes electronic routing functionality.

The administrators with whom a faculty member must interact during the development and routing process include, at a minimum, her/his dean, who is required to review and approve the proposal. For proposals that include SDSU and/or SDSURF space needs, or require cost sharing, the faculty member's department head will also need to review and approve the proposal. In addition, the director of the Division of Research Affairs, the university's officially designated representative for grants and contracts must approve proposals before they are submitted. Although the research foundation obtains this approval for the faculty member, the director of DRA may have substantive questions pertaining to the content of the proposal and may contact the faculty member prior to approving the project. Faculty members will be informed that there is a highly detailed review of all proposals before they are submitted to funding agencies.

Other SDSU administrators become involved as circumstances require. For example, if an interdisciplinary proposal is being submitted, at a minimum, the deans of all proposed project directors must review and approve the proposal. If faculty members from other colleges are serving as co-investigators on projects, these proposals must also be reviewed and approved by respective college deans. Similarly, if the College of Extended Studies will be expected to play a role in the project after it is funded, the CES dean must review and approve the proposal. Other administration officials who may have to review certain proposals include:

- ❑ *Associate Vice President of Operations, Business and Financial Affairs.* This approval is required on proposals that meet the specific criteria below:
 - Total grant or contract amount is over \$250,000
 - Indirect cost recovery rate is less than 25% on grants greater than \$100,000
 - Cost sharing requirement greater than \$20,000 (not including foregone indirect costs)

This approval is required before the proposal is submitted in accordance with the memorandum dated March 18, 2015, from Tom McCarron, Vice President for Business and Financial Affairs and CFO to Bob Wolfson, Executive Director, SDSURF, Subject: Grant and Contract Proposal Review Policy, on file with Sponsored Research Development department.

The following administrators may need to review informational proposal reports after submission, depending on what SDSU resources are needed:

- ❑ *Vice President, Academic Affairs.* Review is needed when university resources (staff time, equipment, money) are committed to the project as a “match” or cost-share.
- ❑ *Associate Vice President, Facilities Planning and Operations (SDSU).* Review is needed when additional university space is requested to conduct a project or if renovation of facilities is contemplated.
- ❑ *Associate Executive Director, Facilities Management (SDSU Research Foundation).* Review is required when new or additional research foundation space will be needed to conduct a project or if renovation of existing research foundation space is necessary. The amount of square footage, if known, should be identified, along with any special requirements the project may have (chemical hood vents, climate control, etc.).
- ❑ *Institutional Review Board (IRB).* The Institutional Review Board must review all projects that intend to use human subjects. Faculty members must submit a protocol to IRB and have the research approved by the board prior to acceptance of an award. Additionally, for National Institutes of Health proposals, faculty and other key personnel must certify that they have been educated on the proper use of human subjects for research projects. Both procedures are conducted independently of the research foundation. Review is required when a proposal includes the use of human subjects. *Institutional Animal Care and Use Committee (IACUC).* Faculty members who intend to use animals in their research projects must submit a protocol to the IACUC. Approval must be obtained before an award can be accepted. The IACUC chairperson (or designee) will review reports of proposals that include the use of animal subjects.
- ❑ *Conflict of Interest Committee.* When the sponsor of a proposed project is a private firm, the faculty member must disclose whether he or she has any financial interest in the firm. This is done on a Form 700-U. The faculty member submits the form to the chair of the Conflict of Interest Committee for review and a determination as to whether a conflict of interest exists. The research foundation is responsible for following up to ensure the Form 700-U has been submitted, reviewed and approved by the Conflict of Interest Committee. 2 CFR Part 200.112, Conflict of Interest requires that all Federal awarding agencies must have policies addressing conflicts of interest. As recipients of federal funding SDSU and SDSU Research Foundation must disclose in writing any potential conflicts of interest and have a policy on conflicts of interest. PIs and any key personnel involved in Federal projects must complete a Financial Disclosure form and submit it to the SRD or SRCC department, which will forward it to the Division of Research Affairs for review and determination of conflict of interest.
- ❑ *Other Administrators.* In some instances, other administrators may have to review a proposal after it has been sent to the sponsor. For example, if radioisotopes, toxics, or biohazards will be used on the project, the faculty member must submit applicable Environmental Health and Safety documents

to the environmental safety officer. If diving is part of the project, the diving safety officer must receive certification before the project can begin. If patentable items may result from work performed on the project, the signature of the university's patent administrator will be needed on the routing form. The university's technology transfer office is also involved in review of patent and intellectual property concerns. In each of these cases, faculty members should briefly explain on the routing form the nature of their work. Reports are provided to these individuals after submission of the proposal to the sponsor.

B. Proposal Routing

Every proposal submitted by the research foundation on behalf of the university must be approved by university and research foundation officials to ensure compatibility with the university's mission and basic research and education policies. The approval process is initiated using SDSURF's InfoEd system-to-system software, which includes electronic routing capability. Each proposal routed contains significant information regarding the project. Materials included in the electronic routing process are at a minimum, an electronic routing form a draft budget and narrative.

1. The Electronic Proposal Routing Form

The sponsored research development department utilizes an electronic checklist/authorization form. Prior to sending out a proposal, the PI, working with the development specialist, must ensure that all required information is completed on the e-form. The e-form, along with a draft budget and narrative, is reviewed and approved by her/his dean, the research foundation, and the director of the division of research affairs. If the proposal meets certain other criteria, it must also be reviewed and approved by the vice president for business and financial affairs.

Electronic routing should be initiated as early in the process as possible, preferably as soon as a draft budget and abstract of the proposed project is available. To begin the process, the PI will need to access the InfoEd system; a login can be obtained from the development specialist. Once logged in, he/she will complete the e-routing form, paying particular attention to any mandatory questions or responses included on the e-form. *Note:* The co-PI's name is included on the e-routing form and requires the co-investigator's approval. If affiliated with a different college than that of the PI, approval from the relevant dean must be obtained.

If a PI submits a proposal to a sponsor without the required review and approvals described above, the proposal will need to be processed through proper channels and approved before an award is accepted.

Additionally, certain restrictions or special approvals may be needed depending on the characteristics of the proposal. If additional approvals or notifications are required to comply with federal, state and research foundation regulations, the SRD development specialist will assist the PI in obtaining these approvals.

2. Budget Preparation and Review

Budgets for proposal applications must comply with sponsor requirements. The budget is usually prepared by the PI and the SR development specialist. The SR development specialist will ensure that the budget is accurate and in compliance. All budgets must be reviewed for fiscal appropriateness and accuracy prior to acceptance of an award.

The majority of agreements received by SDSU Research Foundation are cost-reimbursable; however, periodically a sponsor will agree to pay SDSU Research Foundation a set fee for satisfactory completion of contracted services or submission of deliverables. The determination of the fee should be negotiated based on the best estimate by the PI of the costs necessary to perform the services being contracted. The budget should include recovery of the full facilities and administrative costs (F&A) applicable to the type of award based on SDSU Research Foundation's federally negotiated F&A rates. Any requests for a waiver or reduction of the full rate must be approved in writing by the PI's dean and the vice president for research.

C. Types of Funds

Generally, awards and projects can be grouped into four types: sponsored projects, self-support projects, designated funds, and gifts. The director of SR development, in consultation with the associate executive director of sponsored research services, is responsible for determining under which category new funds are awarded. Determination as to whether an award constitutes a gift versus a grant is made in consultation with The Campanile Foundation.

1. Sponsored Projects (5-ledger funds)

Sponsored Projects (5-ledger funds) activities involve a sponsor providing funds or other resources with conditions attached. A proposal is typically submitted to a funding agency, resulting in an award document that provides funds and identifies terms and conditions required to conduct a specified scope of work. The following is a sample of some of the criteria considered when determining if an award will be designated a sponsored project:

- Is the source of funds federal or federal pass-through?
- Are funds from a state agency, municipality, or foundation?
- Is the activity to be performed research? Instruction? Public service?
- Is there an award document that stipulates the method of payment as cost reimbursable, fixed price, or letter of credit?
- Are there technical or fiscal reporting requirements?
- Is there a definite project start and end date?
- Are there any restrictions on specific uses of funds?
- Did the sponsor include a line item budget that identifies expenditures by activity, function or project period?
- Are there cost-sharing or matching fund requirements?

- Is there reference to terms and conditions such as compliance with federal or state regulations, allowable vs. unallowable costs, subcontracting, etc.?
- Are there record retention requirements?
- Are there contract clauses indicating the funding entity retains the right to audit or inspect pertinent financial documents, expenditures, or other related records?
- Is there testing on animals or humans?

2. Self-Support Funds (9-ledger funds)

Self-Support funds (9-ledger funds) are projects that do not receive an award or donation from a particular funding source, but receive revenues based on activities, services or products provided by a project. These types of funds are called "Campus and Community Programs" or "self-support funds" and are funded primarily by campus users or users in the local community and augment the educational programs of the university. SDSU Research Foundation charges a nominal 6% administrative fee on expenditures and retains interest earned on cash balances to offset the costs of administering these funds.

3. Designated Funds (2-ledger funds)

Designated funds (2-ledger) are funds set up for allocations from SDSU Research Foundation's general fund, that have been approved by the board of directors. Research Support Funds are included in this category. For more information about Research Support Funds please visit the research foundation's website: https://www.foundation.sdsu.edu/sra_support_funds.html.

4. Gifts (C-ledger Funds for The Campanile Foundation)

Gifts are donations of cash, real property, equipment, or other items of value that may or may not have restrictions as to the use of the funds. Elements of a gift donation or bequest include:

- It is given without return of value to the donor, and may include funds for such activities as endowments, scholarships, capital projects, or general student financial assistance.
- No reporting is required other than minimal reporting to the donor in the form of a general statement of how funds were used.
- It involves no written or oral contractual requirements.
- No intellectual property, confidentiality, or publication conditions are associated with the receipt of the funds.
- There are no record retention or audit requirements.
- It is awarded irrevocably.

The Campanile Foundation is a tax-exempt, philanthropic entity that is an auxiliary organization of SDSU. The Campanile Foundation is responsible for the acceptance of gifts and ownership of most endowments. SDSU Research Foundation is responsible for the accounting and administration of these funds to prevent the duplication of existing services. Gift funds are established as C - ledgers and are assigned to an SR grant specialist in the same manner as sponsored projects and campus programs.

In general, the policies and procedures that apply to the administration of SDSU Research Foundation funds are also applicable to The Campanile Foundation funds. However, because The Campanile Foundation and SDSU Research Foundation are two separate non-profit corporations with separate financial audits and tax identification numbers, the following restrictions apply:

- Cash may not be transferred between SDSU Research Foundation and The Campanile Foundation funds; and
- Expenditures may not normally be transferred after the fact between SDSU Research Foundation and The Campanile Foundation funds.

Exceptions may be made only with approval of the director of sponsored research administration, the associate executive director of sponsored research services, the chief financial officer of SDSURF, or the chief financial officer of The Campanile Foundation.

In accordance with the agreement between The Campanile Foundation and SDSU Research Foundation, SDSU Research Foundation charges a nominal 6% administrative fee on expenditures and retains interest earned on non-endowment cash balances to offset the costs of administering these funds.

D. Fund Setup

Upon receipt of an award document, completion of appropriate routing and approval procedures, and verification of completion of all compliance requirements, SRCC forwards the award document and other relevant information to the SR grant specialist to establish a fund in SDSU Research Foundation's finance system (Banner).

Gift and scholarship funds are set up through The Campanile Foundation. The request must be reviewed and approved by the requesting fund manager, department chair, and dean. The request is then authorized by the chief financial officer of The Campanile Foundation and the associate executive director of sponsored research services or the director of sponsored research administration prior to establishing a fund in the finance system within the C-ledger.

Campus and Community Programs (9-ledgers) are initiated upon receipt of the *Request for Campus Program Fund* form. The form must be completed and signed by the requesting project director, department chair and dean, and is then reviewed and approved by the associate executive director of sponsored research services or the director of sponsored research administration and SDSU's Office of Business and Financial Affairs prior to establishing a fund in Banner. Criteria used for determining whether a campus or community based self-support program will be managed through SDSU Research Foundation or through an SDSU trust fund is outlined in Executive Order 1059 and in the Integrated CSU Administrative Manual (ICSUAM), policy number 13680.0 Placement and Control of Receipts for campus activities and programs.

A new fund is created in Banner for each new grant/contract. Gifts or campus/community program funds may get a new fund number assigned if warranted and

approved. The SR grant specialist inputs information such as project start and end dates, project title, and sponsoring agency into the system. In addition, for sponsored programs and some internally funded awards, the budget accompanying the award is coded using Banner account codes and input into the system so spending can begin. SR grant specialists use this information as they review requests for reimbursements, purchase orders, and other payment documents submitted by PIs and their staff. PIs and designated project staff can access this information via PI Profile, the online, web based financial reporting system, available on SDSU Research Foundation's website <http://www.foundation.sdsu.edu/>.

For all new funds, regardless of fund type, the PI must complete a *Signature Authorization Form* for authorization to expend funds. This form can be found at http://www.foundation.sdsu.edu/pdf/sra_signature_authorization_form.pdf and is issued to identify individuals designated by the PI as authorized to expend funds on the specified award, gift, or program. The signature form is also used to verify signatures on all reimbursement requests, purchase orders, etc., submitted to SRA for processing. The PI must sign this form and also have all SDSU or SDSU Research Foundation employees authorized to incur expenses for the project sign the form. The form specifies the roles and responsibilities that are delegated when serving as an authorizing signer on a research foundation fund and requires that each individual assigned this role certify their understanding of the responsibilities and their knowledge of the policies and procedures contained in this guide. However, the PI is still the primary individual responsible for both the programmatic and fiscal integrity of the project. The form should be returned to the SR grant specialist as soon as possible. Until the form is returned, only the PI is authorized to incur expenses on the fund. (See Section II. G. [Expenditure Processing](#))

E. Award Analysis Procedure

When SDSU Research Foundation receives an award, the assigned SR grant specialist analyzes each document for relevant terms and conditions and prepares a summary called the "award analysis." The award analysis is used for all 5 ledgers (sponsored programs). Certain sections of the analysis can be used for other types of funds. The award analysis is an electronic document accessible on PI Profile and is intended to be used as a working tool by project directors. The analysis contains essential data about the purpose of the project, the source of revenue or funding agency, and expected expenditure activity, including the research foundation internal grant and fund number, budget, applicable sponsor regulations, expenditure and re-budgeting restrictions, equipment disposition instructions, project start and end dates, F&A or administrative fee basis and rate, cost-sharing, and reporting requirements. **The award analysis sets forth the project's fiscal parameters and should be carefully reviewed by all key project personnel.**

The analysis is made available electronically to the PI, university department chair, university dean and/or other university officials, SDSURF's facilities department, finance and accounting department, and SR administration. The analysis is updated whenever there is a change to the award. Changes include but are not limited to a

change of PI, change of sponsor technical or grant officer, receipt of supplemental funding, approval/implementation of a no-cost extension, carryover of unexpended funds from a prior budget period, and the revision of technical and fiscal reporting requirements.

The preparation of the analysis is a process that involves multiple SR staff members. It is the responsibility of the SR grant specialist to review the award and identify data that is to be included in the analysis. The SR technician has the primary responsibility for inputting data into the analysis database. The final analysis document is reviewed and authorized by the SR grant specialist and/or her/his respective supervisor prior to being made accessible on the research foundation's web site.

F. Understanding Your Project Budget

1. Banner Terminology

Each new project is input into the Banner system and given a grant number and a fund number.

- A grant record is established for all sponsored program funds, self-support program funds, and Campanile Foundation funds and allows for the collection of financial data on a project-to-date basis. The grant record also captures informational data relevant to the fund. The grant number established in the Banner system is an internal number and is not related to the sponsor grant or contract number. The Banner grant number is nine characters long and always begins with a G (i.e., G000002389).
- A fund is also established for each project. Each fund has a six digit number beginning with a 5 for sponsored projects, a 9 for Campus and Community Programs, a 2 for internally-funded programs, or a C for Campanile funds. All expenditures and revenues are posted to the fund. All sponsored project funds (5-ledger) have an alpha character as the sixth digit of the fund number. This letter normally represents the project year. For example, fund number 51234A would indicate the first year of a project. In most cases, sponsored projects with continuous years of support will maintain the same fund number throughout the life of the award and only the alpha character will change to denote the subsequent year of funding.
- The organization (ORG) code identifies the budgetary unit responsible for managing the fund. In most cases the ORG code on sponsored programs identifies the PI. This code is five characters in length.
- Account codes are the four digit numbers used to identify individual line items within a budget. For example, 6500 is the account code associated with the funds budgeted for fringe benefits on all funds.
- Program codes are three characters long and designate major grouping for financial statements and reporting purposes.

The FOAP, or “Fund, Organization, Account and Program,” are the components of the accounting string that represent the project/grant.

2. Components of the Budget

There are two major components of budgets: direct costs and facilities and administrative costs (indirect costs).

Direct Costs are those costs that can be easily and accurately identified for individual projects. Direct costs are divided into categories such as salaries, fringe benefits, travel, supplies, or equipment, and are accounted for as separate line items (account codes) within each fund.

Facilities and Administrative Costs (F&A Costs) are also known as indirect costs or overhead and are additional costs incurred by SDSU Research Foundation and the university in support of sponsored programs. These costs differ from direct costs in that it is difficult and impractical to identify and attribute them on an individual project basis. In the case of sponsored projects, uniform predetermined rates are established through negotiation with the federal government. Examples of the types of costs charged through uniform rates are space-related costs such as utilities, maintenance and certain administrative costs.

F&A cost recoveries, project administration fees, income from investments and other income to SDSU Research Foundation are all sources of funding for the general fund budget. The board of directors makes the budgetary and other decisions that result in the allocation and use of these resources. F&A cost recoveries fund operating expenses of SDSU Research Foundation's central office and are used to reimburse the university for various costs it has incurred on behalf of research projects. F&A cost recovery monies have also provided funds for SDSU faculty seed grant programs such as the University Grants Program and summer fellowships. In addition, a portion of the F&A cost recovery is channeled back to the deans of the various colleges (and, in some cases, to individual PIs) to use for seed money, proposal development, cost-sharing or other special purposes, and to cover cost over-runs or costs incurred in support of a sponsored program but unallowable to be charged to the grant or contract itself.

Numerous SDSU Research Foundation services are supported by F&A cost monies:

- **SR Development:** Assistance with proposal application development and submission, budgeting, proposal workshops, subscriptions to funding publications, duplication of proposals, electronic systems support for submission of proposals, postage, notices of funding opportunities, facilitating and processing related compliance items, and award negotiations.
- **Award Administration:** Accounting, project monitoring, budget reports for PIs, special reports required by sponsors, reports to public regulatory agencies (including IRS, State of California and City of San Diego), purchasing, accounts payable (including payment of hundreds of project bills

daily), sponsor billing and collections (including processing of letters of credit for federal awards), purchase and inventory of equipment, personnel and payroll administration, cashiering (some projects involve numerous individual cash payments or daily accounting of fees for services), administration of sponsor audits, approval and reconciliation of travel and other project advances, insurance, and the annual financial statement audit performed by an independent CPA firm.

3. Access to Financial Data

- **PI Profile:** PI Profile is SDSU Research Foundation's secured financial web-based application created to assist SDSU principal investigators with the management of their research foundation-administered accounts. It provides current financial data on all active awards including budgets, expenditures, balances, personnel assignments, and purchase orders. Access to financial data is limited to the authorized project personnel.
- **Monthly Budget Reports:** Budget reports are disseminated electronically on a monthly basis. PIs and project staff are notified via e-mail that the reports have been posted and can be accessed on SDSU Research Foundation's web site <http://www.foundation.sdsu.edu> through the PI Profile system. A variety of reports are available that were designed based upon project feedback and responses to survey results. PIs are responsible for reviewing their budget reports in detail on a monthly basis and contacting their SR grant specialist to report any discrepancies.

Report Options:

- **Executive Summary:** provides an overview of cumulative fund activity in broad budget categories to give a compressed picture of the fund's financial status. This report summarizes activity by major budget category only.
- **Budget Report:** provides a breakdown of the transactions listed on the Executive Summary report by fund account codes (individual budget line items). This report summarizes activity by account code and major budget category.
- **Detailed Activity Report:** provides a thorough description of each monthly transaction by fund account code and is a further breakdown of the activity summarized by account code on the budget report. This report displays information including vendor name, payee name, purchase order number, type and date of transaction.
- **Payroll Activity Report:** provides information for payroll activity only. This report displays salary and fringe benefits expenditures by fund account code, date, payroll number, employee name, and dollar amount.
- **Comparative Balance Sheet:** provides information on general ledger activity by cash, assets (accounts receivable) and liabilities (accounts payables). This report is used primarily for research support funds, campus programs funds, and Campanile funds.
- **Fund Balance Changes:** provides information on general ledger to general ledger transactions including total revenue, fund additions, total expense,

fund deductions and transfers. This report is used primarily for research support funds, campus program funds, and Campanile funds.

- **Estimate of Available Cash:** provides a calculation of cash available at the close of the month. The report calculates the cash on hand, minus future obligations (including the administrative fee associated with the commitments) to obtain a subtotal of the cash balance. The report then calculates the administrative fee associated with the subtotal of the cash balance and provides an estimate of actual cash available.

PIs can view any one of these reports as needed to monitor the financial status of their projects. In addition, the last option on the month-end report selection screen (Display All EOM Reports) for (date) will compile all report options for a given month.

Access to daily up-to-date budget and expenditure information may also be obtained through PI Profile. Other information provided includes award terms and conditions, compliance and reporting requirements, project description, current budget information updated daily, expenditure transactions, detailed information regarding outstanding commitments, personnel information, links to scanned expenditure source documents, award documents and subaward agreements. Financial information is available to PIs, co-investigators, and specified project personnel authorized by the PI to have access to financial data. Contact your SR grant specialist for information on how to obtain a password for PI Profile or how to designate access to specific project staff.

G. Expenditure Processing

1. Signature Authorization

The PI is responsible for complying with the financial and administrative policies and procedures of each award and has exclusive authority to incur expenses against the award. The PI also has the authority to designate this authority to an SDSU or SDSU Research Foundation staff member to assist in the management of sponsored project(s). This authorization enables an individual to approve requests for personnel actions, to initiate and authorize expenditures including purchase orders for goods and services, to approve reimbursement to individuals for travel, equipment, and all other types of expenditures, and to approve journal vouchers and cost transfers. Signature authority has no set dollar threshold and grants total fiscal responsibility to an individual other than the PI. However, PIs should designate this authority only to staff that are capable of sound fiscal management and have knowledge of administrative policies and procedures. Designees must be an employee of either SDSU or SDSU Research Foundation. Exceptions must be requested in writing and approved by the associate executive director of sponsored research services or the director of sponsored research administration.

2. Electronic Signatures/Approvals

SDSU Research Foundation utilizes information systems that support electronic transactions, including electronic approvals (e-authorization). Unique accounts

(user id and password) are created for individual employees and are for the use of that individual only and must NOT be shared. Use of on-line user ids and passwords in SDSURF systems is the equivalent of a wet ink signature on paper. Individuals shall be liable for all activities on their assigned accounts.

3. Additional Authorization (One-Up Authorization) Policy

The SR grant specialist serves as the one-up approval authority except in specific circumstances defined under the hosting policy and when relevancy to a program is not easily determined. In those cases, one-up authorization would follow the academic chain (i.e. department chair or dean). The primary purpose of a one-up authorization is to ensure that the programmatic purpose of the expenditure has been validated by other than the authorized signer on the fund. This is particularly appropriate and prudent when any authorized signer is submitting a request for reimbursement to herself/himself.

Note: One-up authorization is up the administrative reporting line. One-up authorization cannot be another authorized signer on the fund. For a faculty member or project staff person, it will be the department chair, unless the dean signs. For a department chair, it will be the dean. For a dean, it will be the office of the provost. SDSU Research Foundation will not maintain a list of these administrative levels within each division, college, or department. Project directors and PIs are charged with ensuring that the appropriate authorizations are obtained in the following circumstances:

- Any activity that appears to predominantly benefit the individual or the individual's relatives. Any expense submitted more than one year after the date the expense was incurred. All expenses should be submitted for reimbursement or payment in a timely manner; typically, within 30 days of incurring the expense. Expenditures and occasions requiring one-up authorizations must be in accordance with SDSURF's hosting policy ([see II.G.Expenditure Processing, 6a.](#)).
- All Campus and Community Relations (CCR) funds expended require approval from SDSU Business Affairs.
- When SDSU Research Foundation determines that the documentation requires more detail and/or explanation in order to meet audit requirements, (e.g., an unclear connection between the activity and the stated benefit to the university), paperwork may be returned for more information and/or one-up authorization. The decision to do so is within the authority of the SDSU Research Foundation sponsored research administration department. If found to be unallowable or not timely, the expense will be the responsibility of the individual who incurred the cost.

4. Criteria for Determining the Allowability of Expenditures

SR grant specialists are required to apply certain standards to expenditures charged to monies generated by sponsored or restricted funds awarded through grants, contracts, cooperative agreements and other agreements (grants or contracts). Federal 2 CFR Part 220 (OMB A-21) contains the cost principles for

educational institutions and applies to awards issued prior to December 26, 2014. Awards issued on or after December 26, 2014 are subject to the Office of Management and Budget (OMB) "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR, Part 200)". These federal regulations contain the cost principles for the administration of federal awards. Individual award documents may also contain substantive guidelines for determining approval of expenditures, i.e., special terms and conditions applicable to a specific project fund. Expenditure activity must be consistent with sponsor guidelines, San Diego State University's academic philosophies and institutional objectives, as well as SDSU Research Foundation's overall policies and procedures. Further, expenses must be necessary to the program, submitted in a timely manner, and supported by appropriate documentation as defined further in this section.

In order for a proposed expenditure on a grant or contract to be approved by SDSU Research Foundation, the cost must be allowable, allocable, and reasonable under the federal cost principles outlined in 2 CFR Part 220 (OMB A-21) or 2 CFR Part 200 (Uniform Guidance) as applicable:

- a. Allowability:** The cost must be reasonable and must be given consistent treatment through application of generally accepted accounting principles appropriate to the circumstances. The costs must conform to any limitations or exclusions set forth in the sponsored agreement or in the Federal Cost Principles (2 CFR Part 220 (OMB A-21) or 2 CFR Part 200 (Uniform Guidance)).
- b. Allocability:** An expenditure is considered allocable if it is made on behalf of, or in support of, the expressed purpose of the project and is therefore assignable to that project. This means the cost has been incurred specifically to support or advance the work of the sponsored agreement and it is consistent with the scope of work contained in the award document. If costs are to be split among sponsored agreements, they must be in proportions that can be approximated through use of reasonable measures. Costs to a particular sponsored agreement may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns, other funds requirements to avoid restrictions, or other reasons of convenience.
- c. Reasonableness:** Finally, a cost is evaluated for reasonableness. A cost may be considered reasonable if the nature of the goods or services 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. Consideration might include whether or not the cost is of a type generally recognized as necessary for the performance of the agreement and/or if there are restraints or requirements imposed by arm's-length bargaining. The reasonableness criterion requires that those expending from SDSU Research Foundation funds apply common business sense.

SR grant specialists also review all payment documents and requests for reimbursement with the following principles in mind:

- d. Consistency:** Transactions must be treated in a consistent manner. SDSU Research Foundation policies have been designed to address similar types of transactions in a consistent manner.
- e. Timely Processing of Payment Documents:** All requests for reimbursements, personnel appointments and reimbursement for payments to vendors should be submitted within 90 days of their origination. SDSU Research Foundation is subject to federal guidelines that require grantee institutions to demonstrate sound business practices in the management of sponsored funds. The majority of vendors require payment within 30 days of the date of invoice.

2 CFR Part 200.343 OMB Uniform Guidance further states that all financial commitments incurred through the last day of the grant budget period must be processed for payment within the following 90 days. Expenditures submitted after that 90-day window of time may be deemed unallowable. The PI and project staff is responsible for submitting all payment documents in a timely manner to their assigned SR grant specialist. Grant Specialists may request additional justification for payment documents submitted outside of the 90-day window, and additional management review may be required.

- f. Justification:** There must be sufficient justification showing the expenditure supports the project's goals and adheres to sponsor and SDSU Research Foundation guidelines.
- g. Documentation:** Sufficient documentation to support the transaction, such as an itemized, dated receipt, must be included. The documentation should contain adequate detail to stand alone when reviewed during an audit.
- h. Certification:** The expenditure document must contain the original signature of the PI or other individual who has been authorized to incur expenses on a specific sponsored agreement. (See Section II. G. [Signature Authorization](#).)

5. Cost Transfers, Payroll Redistribution or Reallocation of Charges

Cost transfers, payroll redistributions and journal vouchers are transactions that move charges from one fund to another or between line items within a fund. Since there are policies and procedures and internal controls in place at SDSU Research Foundation to ensure that costs are accurately recorded, an original transaction should not need to be corrected. However, in certain circumstances, it may be necessary to move a direct charge expense from one fund to another or within a fund to link the cost more appropriately with the benefit it is providing.

In order to limit the need for cost transfers, payroll redistributions and journal vouchers, PIs are encouraged to work with their SR grant specialist to accurately project expenditures and allocate funds. Monthly budget reports should be used to compare project budgets against expenditures to date and future commitments to determine if overruns will occur. If an overrun is anticipated, the PI should contact her/his SR grant specialist to prepare a cost projection or budget adjustment.

A cost transfer is a direct charge expense transferred from one fund/award to another after the charge has been posted in the financial accounting records of SDSU Research Foundation. Cost transfers include redistributions of payroll expenses as well as the transfer via a journal voucher of other direct costs. The transfer of expenditures between funds awarded under the same grant is not considered a cost transfer. An example of this type of transfer is the correction of expenditures that posted to a prior budget period under the same award, i.e. moving an expenditure from the “A” year to the “B” year of an award. The Cost Transfer Policy is applicable to all funds that SDSU Research Foundation administers.

Policy and Procedure: All requests for cost transfers or payroll redistributions should be submitted in writing to the assigned SR grant specialist and contain the following:

- *Documentation.* In order for a cost transfer or redistribution of payroll to occur, it **MUST** be supported by written documentation that contains a full explanation and justification for the transfer. The justification should be prepared in such a way that a person outside of SDSU Research Foundation (i.e., an auditor) would be able to understand why the cost transfer is necessary and should address the following questions:
 - a. Why was the expense originally charged to the fund from which it is now being transferred?
 - b. Why should the charge be transferred to the proposed fund? How does the expense fit the scope of work of the proposed fund?
 - c. If applicable, why is this transfer being requested more than 90 days after the cost was initially charged?
 - d. What action will be taken to eliminate the future need for cost transfers of this type? Is this action being taken?
- *Approvals.* A cost transfer or payroll redistribution must have the approval signatures of the PI, the SR grant specialist, an SRA Manager and/or the director of sponsored research administration. Cost transfers or payroll redistributions initiated over 60 days after the fund end date must also have the approval of the director of sponsored research administration.
- *Acceptability.* Cost transfers and payroll redistributions must be timely, allocable to proper budget categories, allowable under applicable sponsor and SDSU Research Foundation policies, properly documented, and approved. All cost transfers and payroll redistributions shall become part of the official project file and subject to audit. Requests for cost transfers or payroll redistributions that lack adequate documentation and/or approval signatures may be denied.
- *Unallowable Cost Transfers.* The following cost transfer situations are typically considered to be unallowable:

- a. Cost transfers requested more than 60 days after the end date of a sponsored agreement.
- b. Transfer of charges from any sponsored agreement that is in an overrun status to another sponsored agreement.
- c. Transfer of any reimbursed-time transactions or direct salary payments to faculty where the effort report has already been certified. (All adjustments made to faculty payroll must go through the effort reporting system and should be made before the employee's effort certification is signed and received.)

Extenuating circumstances will be reviewed on a case-by-case basis and must be clearly and substantially documented.

- *Journal Vouchers* are utilized for a variety of purposes including but not limited to recording transactions for charge backs from SDSU recharge centers, internal transfers of cash between SDSU Research Foundation funds, and corrections to elements of the accounting string associated with a revenue or expenditure transaction, including the Fund, Organization, Account and Program. Please submit requests for Journal Vouchers to your SDSU Research Foundation SR grant specialist or fund administrator.

6. Specialized Categories of Expenditures

The purpose of this section is to identify costs that require more substantial documentation or that have unique policies or procedures associated with the approval process. Please refer to Section III. (Purchasing), Section IV. (Accounts Payable), and Section V. (Travel) for additional information.

a. Hosting Policy

Hospitality expenses may be paid with SDSU Research Foundation funds when such expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose connected to the mission and fiduciary responsibilities of SDSU Research Foundation. This policy applies to activities that promote the university/SDSU Research Foundation to the public and the provision of hospitality in connection with official university/SDSU Research Foundation business and authorizes appropriate Research Foundation funds to be used for such purposes. This policy is written to be consistent with university and CSU policies and procedures.

Hospitality expenses may not be charged to grants and contracts (5 ledger funds) unless the proposal narrative addresses these activities as an integral part of the program or approval is obtained by the funding entity.

The following summarizes several key components of the hosting policy and should be used as a reference point only. The complete hosting policy is available at: http://www.foundation.sdsu.edu/pdf/comm_hosting_policy.pdf.

Summary of Allowable Expenses and Occasions

When a university/SDSU Research Foundation employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear university/SDSU Research Foundation business purpose, with no significant personal benefit derived by the official host or other university/SDSU Research Foundation employees. Expenditures should be in line with what a prudent person would consider normal and reasonable.

When determining whether a hospitality expense is appropriate, the project must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives.

Hosting may be allowable in the following circumstances:

Hosting of Non-University Groups or Individuals: Food and beverages when hosting non-university persons – if for the purpose of promoting the university. For example:

- When the university/research foundation hosts or sponsors business meetings that are directly connected to the welfare of the university/research foundation or in promoting a university/research foundation program or activity;
- When the university/research foundation hosts official guests, including employees visiting from another work location, students,, donors, visitors, volunteers and other individuals with an interest in the university/research foundation including individuals being recruited for faculty or staff positions;
- When the university/research foundation is the host or sponsor of a meeting of a learned society or professional organization. This includes symposia organized to share current knowledge on a specific topic, discipline or question.
- When the university/research foundation hosts receptions held in connection with conferences, symposium, meetings of a learned society or professional organization, meetings of student organizations and groups, student events such as commencement exercises, and events or meetings of other university/research foundation-related groups such as alumni associations;
- The university/research foundation hosts community relations or fundraising events to promote goodwill, recognized distinguished service, or cultivate donors, collaborators and/or sponsors of university/research foundation programs and activities.
- The university/research foundation hosts receptions for the benefit of employee morale, employee recognition or memorials. Length of service

awards and retirement celebrations are limited to employees who have served five (5) or more years. Positive employee morale is a valuable resource. Therefore, this policy allows for expenditures supportive of employee morale (other than those identified as prohibited). The university/research foundation relies on the judgment of the approving authority in this area as they are most capable of assessing the benefit to the university/research foundation of such expenditures;

- When representatives of the university/research foundation participate in community outreach to enhance partnerships, promote goodwill, recognize distinguished service, or cultivate donors, collaborators and sponsors of projects.

Employee Meetings and Recognition Events: Meals, and/or light refreshments provided to employees may be permitted if the expenses occur infrequently and are reasonable and appropriate to the business purpose. Meals, alcoholic beverages and/or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are therefore not permitted under this policy.

Some general guidelines follow:

- Meals, and/or light refreshments should be limited to no more than twelve times per year, per group. The official host and approving authority are responsible for monitoring the frequency of events.
- Meals or light refreshments provided to a group should be counted on an event basis, e.g., a two-day meeting should be counted as one event in determining compliance with these guidelines.
- Meals, and/or light refreshments provided in the course of a business meeting must be modest and reasonably priced. When a meeting takes place over an extended period of time and the agenda includes a working meal, there may be justification that the meal is integral to the business function. Examples include:
 - A meeting where there is a scheduled speaker during the meal period;
 - A meeting where the participants work through the meal period;
 - Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.
- In general, the SDSU Research Foundation will not pay for or reimburse costs for meals taken with individual colleagues at the same work location unless a clear business purpose can be established and is specifically approved by the approving authority.
- It is noted that employee events where it is appropriate to serve alcoholic beverages are very rare and should be carefully reviewed by the approving authority. Alcohol may be allowed when the official host is providing hospitality for an official guest(s) as defined in Section 316 of the complete version of this

policy. Expenditures for alcohol outside of hosted events are personal expenditures and are not reimbursable.

Per Person Rates for Meals, Light Refreshments and Alcoholic Beverages:

This policy establishes maximum per person reimbursement rates for alcoholic beverages, meals, and light refreshments. These rates are also included as Appendix A of the complete hosting policy and are reviewed and approved annually by university's Vice President for Business and Financial Affairs:

Meal Type	Meals @ Non-Catered Events	Alcoholic Beverages @ Non-Catered Events	Meals @ Hotel Catered Banquets and VIP Entertaining	Alcoholic Beverages @ Hotel Catered Banquets and VIP Entertaining
Breakfast:	\$20.00	None	\$ 50.00	None
Lunch:	\$30.00	\$25.00	\$ 75.00	\$ 25.00
Dinner:	\$75.00	\$25.00	\$ 120.00	\$ 50.00
Light Refreshments:	\$30.00	\$25.00	\$30.00	\$ 25.00

Note:

- i. The above rates are inclusive of tax and tip.
- ii. The combination of light refreshments and a meal requires a one-up authorization.

Special Rules apply to certain groups of individuals as follows:

- Entertainment of **business partners** to solicit donor support should be restricted to those situations where (1) the university/research foundation already has, through contract or purchase order, established the business relationship with the vendor; or (2) the university/research foundation does not intend to do contractual business with the vendor. At the judgment of the approving authority, entertainment of vendors to establish or improve relationships dependent on personal interaction is allowable.
- Hospitality provided to **the spouse, domestic partner or other family member** of an employee may be permitted when it serves a university/research foundation business purpose. Their presence is considered to serve a university/research foundation business purpose if he or she has a significant role in the proceedings or makes an important contribution to the success of the event. Official functions to

which spouses or domestic partners are invited as a matter of protocol or tradition such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events may be considered business-related. An agenda, invitation or similar documentation should be included with the payment record. Hospitality for the spouse, domestic partner or other family members of an employee should be carefully reviewed by the approving authority.

- Hospitality provided to **students or prospective students** may be permitted when it serves a university/research foundation business purpose. Permissible activities may include recruitment efforts, student activities, student programs, student organization events, student recognition events and commencements. Students may be hosted to attend fundraising and other community relations events that enhance their learning experience, in recognition of their student achievement, to engage with alumni and donors, or as representatives of elected student leadership. Hospitality provided to student athletes and recruits must be in accordance with the rules, regulations, guidelines, standards and procedures of the intercollegiate athletic association's national governing board; e.g., National Collegiate Athletic Association.
- **Federal officials** are subject to complicated and extensive ethics rules which should be carefully reviewed before any exchange of an item of value including meals and entertainment. It is the responsibility of the hosting official to disclose to the approving authority that federal officials will be present at the hosted event. Both the hosting official and approving authority are responsible for determining the appropriateness of hosting a federal official(s).

Prohibited Expenses and Occasions: The following may not be charged to SDSU Research Foundation funds:

- Hospitality expenses that are of a **personal nature** and not related to the active conduct of official university/research foundation business will not be paid or reimbursed. Examples include, but are not limited to, employee birthdays, weddings, anniversaries, baby showers and employee farewell gatherings that are not official university/research foundation functions. Designation of a farewell event as an official university function requires divisional vice presidential approval. Official events for the Research Foundation require the approval of the executive director. Official campus functions do not include offsite parties, dinners, or similar events organized by co-workers and friends. [Retirement events are distinct from "farewell gatherings" and are allowed if they meet the conditions specified in Section 402.1 of the complete version of this policy.]

- Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.
- No expenditures under this policy are allowed for the purchase of cigarettes, cigars, chewing tobacco, smokeless tobacco or any other product or concoction that may be considered a tobacco product by a reasonable and prudent person. Expenditures for tobacco products for the purposes of conducting a research foundation sponsored program are not covered by this policy.

Required Approvals: All hospitality expenditures and reimbursements must be approved by an approving authority. An approving authority is an individual that has been designated as having authority to expend money on the fund, or who is identified below as an additional required approval.

SDSU Research Foundation retains the authority to request a one-up authorization of a hospitality expense if the documentation is insufficient to demonstrate a clear connection between the activity and the stated benefit to the university. One up authorization is up the administrative reporting line. One-up authorization cannot be another authorized signer on the fund. For a faculty member or project staff person, the one-up authority will be the department chair or dean.

The following specific activities are sensitive areas and may be determined by SDSU Research Foundation to require one-up authorization to assure that the expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the university/research foundation:

- Reimbursement of hospitality expenditures for alcohol
- Reimbursements of hospitality expenditures for **recreational, sporting or entertainment events**.
- Reimbursement of hospitality expenditures for **a spouse, domestic partner or other family member** of an employee or official guest.
- Reimbursements of hospitality expenditures for **memberships in social organizations**.
- Reimbursement or payments or hospitality expenditures for federal officials.

Any single hosting event that exceeds \$1,000 requires additional approval by an individual with higher administrative reporting authority as defined above.

Expenditures that exceed the maximum per person thresholds require additional approval by an individual with higher administrative reporting authority. Justification must be provided that documents the rationale for the exception.

Any single hosting event that exceeds \$3,000 requires approval from the applicable vice president's office.

All expenditures for hosting from Campus and Community Relations funds require approval from SDSU Business Affairs.

Documentation Requirements: Each request must have sufficient background and documentation so that an auditor reviewing a specific expenditure understands the relevance of the event or activity to the project or the university. Only those activities that provide adequate justification will pass an audit. Please attach the hosting justification form (http://www.foundation.sdsu.edu/pdf/ap_hosting_justification_form.pdf) when submitting requests for reimbursement for a hosting expenditure, regardless of the source of funds used.

The benefit to the campus must be documented. Given that judgment is very often an intangible but nonetheless critical basis for expenditure (such as employee morale), administrators are encouraged to be as specific as reasonably possible when stating the benefit to the university.

- Original itemized receipts or invoices are required. This establishes an audit trail for type of expenditure and number of employees. If itemized receipts cannot be obtained or have been lost, a signed statement to that effect is required. On a selected basis, venues may be called to verify if itemized receipts are not available.
- Provide the individual names and affiliations of attendees; provide a specific statement of the direct or indirect benefit to university or research foundation to be derived from the expense.
- Credit card receipts (in addition to the original itemized receipt or invoice) are preferred. This establishes that the expense was incurred and paid by the employee and not someone else. Payment in cash should be avoided and will be approved on an exception basis only.

b. **Computing Devices**

Computing devices and accessories (or "peripherals") for printing, transmitting and receiving or storing electronic information costing under \$5,000/unit may be direct charged to a project if:

- they are **essential** and allocable to the project in that they are necessary to acquire, store, analyze, process and publish data and other information electronically and;
- the project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.

Items costing more than \$5,000/unit are considered equipment and subject to policies and procedures specific to equipment purchases.

PIs are encouraged to specifically budget for computing devices and include a detailed explanation of the essential nature of the items at the proposal phase of the award. If not specifically budgeted, the PI is responsible for providing this information to his/her SRA grant specialist prior to the cost being incurred to ensure the purchase meets federal agency and award specific requirements.

c. **Cell Phones**

1. Direct Charging to Sponsored Agreements

Federal regulations state that telephone costs are typically unallowable as a direct cost on a grant; however, direct charging of these costs **may** be appropriate if the use of a cell phone is **essential** and allocable to the project, the item is specifically budgeted for and approved by the sponsor agency. Please contact your grant specialist with questions regarding allowability and award specific terms regarding this type of cost.

The project should submit a *Request to Direct Charge Cell Phone Expenditures to a Sponsored Project* form to the SRA grant specialist prior to incurring costs. Sponsor approval may be required if the costs were not specifically budgeted for and approved by the funding agency at the proposal stage.

Due to the unique characteristics of each sponsored project, the director of sponsored research administration will review and approve requests to direct charge cell phones or other wireless communication devices on a case-by-case basis.

2. SDSU Research Foundation-Owned Cell Phones

In rare and unusual circumstances SDSU Research Foundation will provide foundation-owned cell phones. These circumstances may include specific programmatic requirements of sponsored research activities. In these instances, the following criteria apply:

- These cell phones are for business use only by the assigned employee exclusively and **may not be used for personal calls**.
- Justification for the purchase and business use of a cell phone will be submitted to SDSURF Procurement with the requisition for the acquisition of the device and establishment of the appropriate level of service.
- The cell phone will be tagged as SDSU Research Foundation property and will be subject to SDSURF's equipment inventory procedures. The device must be returned if the employee leaves

the organization, or if there is no longer a programmatic need for the device.

- Issuance of the device to the employee will be documented on an [Off-Campus Use of Equipment Agreement Form](http://www.foundation.sdsu.edu/forms/index.html#purchasing) available at the following link on the SDSU Research Foundation website www.foundation.sdsu.edu/forms/index.html#purchasing.
- A memo must be attached to the form thoroughly explaining why a research foundation-owned phone is required. Additional documentation addressing reasonableness, allowability and allocability is also required for charges to grants and contracts. ([Refer to II.G.4. Criteria for Determining the Allowability of Expenditures](#))
- Monthly statements will be reviewed and approved by the employee's authorizing individual, regardless of method of payment.
- All records will be retained in accordance with SDSU Research Foundation's record retention policies and are subject to public disclosure in accordance with the McKee Transparency Act.

3. Cell Phone Allowances

The vast majority of employees use a cell phone for personal purposes; however, employees in certain safety and management positions must be accessible after hours and when away from their primary business location during the regular work day. These employees may receive an allowance for the percentage of cell phone use that relates to SDSU Research Foundation business. Cell phone allowances may not be charged to sponsored programs.

The employee's supervisor will identify the need and extent of the allowance. The authorizing individual as defined in the *Applicability* section below will approve the allowance.

Employees must comply with McKee Transparency Act and public records requests related to SDSU Research Foundation business. The act may be accessed at: www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0001-0050/sb_8_bill_20110714_amended_asm_v95.pdf

- Employees may decline an allowance.
- Allowances will not be provided for wireless devices or other related equipment.
- In the interest of the safety of our employees and other drivers, cell phone use while driving on research foundation business and/or research foundation time is prohibited. If the employee's position requires that the employee keep a cellular phone turned on while driving, the employee must use a hands-free device. Law prohibits any persons under the age of 18 from using any mobile device while driving, except for emergency purposes.

- Writing, sending, or reading text-based communication – including text messages, instant messaging, and e-mail is prohibited by law and policy.
- Employees should safely pull off the road before conducting research foundation business while using mobile devices.

Applicability: This process applies to SDSU Research Foundation employees who are required to carry a cell phone to be available while away from campus and/or as a necessary and integral tool in performing their assigned duties.

The determination of whether an employee is required to be available via cell phone is decided by his or her authorizing individual. For purposes of this policy the authorizing individual is defined as an individual with delegated fiscal authority on the fund to which the allowance will be charged. For individuals who have delegated fiscal authority and are requesting approval for their own cell-phone, the named project or fund manager will be the authorizing individual. If the request is for a faculty member, the authorizing individual will be the department chair or the dean. For a department chair, it will be the dean and for a dean, it will be the office of the provost. Other units will follow the university organizational hierarchy for their respective areas. In no case may an individual authorize her or his own request.

The following criteria are used to determine applicability:

- The authorizing individual must articulate substantial non-compensatory business reasons for requiring the employee to use the cell phone for work-related purposes.
- The employee must maintain the type of cell phone coverage that is reasonably related to the needs of SDSU Research Foundation's business,
- The employee must not already receive a reimbursement from the university, and
- The policy applies to cell phones as well as data plans for other similar wireless communication devices; however, only service charges for cell phone usage are eligible for reimbursement.

Authorization for Business-Related Cell Phone Form: The authorizing individual must complete an authorization form that provides a justification for providing a cell phone allowance, the type of cellular service to perform job duties (voice, text and/or data), the expected required percentage of business use, and other specific information concerning the required usage. The form is available at:

www.foundation.sdsu.edu/forms/index.html#purchasing

Compliance with Tax Law: Allowances for employee-owned cell phones that are used for business purposes are non-taxable if an appropriate level of substantiation is made to SDSU Research Foundation.

Guidelines: All cell phones are the personal property of the employee. Changes in service for personal use are the employee's responsibility. In addition, the employee will retain the phone number and instrument if he or she separates from the organization.

The expense allowance for service charges is generally tax-free and will be issued through Accounts Payable on an annual basis. Exceptions are rare and approved on a case-by-case basis.

The employee retains the allowance payment and is not obligated to refund SDSU Research Foundation if the employee separates, changes job duties, or transfers to a new position within the calendar year.

SDSU Research Foundation will provide expense allowances toward service fees only. The allowance amount is determined by the authorizing individual, based on his or her estimate of the amount of expected SDSU Research Foundation-required business usage. The estimate will be based upon past, comparable or expected wireless usage for the employee's position. The authorizing individual may not use this expense allowance as a salary supplement. If the employee disagrees with the allowance amount, he or she may propose an alternative allowance to their authorizing individual and must provide evidence to substantiate the higher amount.

The SDSU Research Foundation-paid allowance is used to defray the cost of the use of the cell phone for SDSU Research Foundation business. Upon request, the employee shall make available records of business calls, as necessary to comply with applicable laws and regulations, including but not limited to the McKee Transparency Act, if readily available. The employee may redact any personal information from the records provided. The employee agrees to retain cell phone bills for thirty (30) days from the date of receipt of said bills by the employee.

As long as the wireless service provider's plan supports and is compatible with the use required to accomplish SDSU Research Foundation job responsibilities, the employee may choose the device and the service plan he or she wishes to use. The arrangement is between the employee and the wireless service provider; SDSU Research Foundation is not involved in the contract with the provider. However, the employee is encouraged to consult with SDSU Research Foundation's purchasing department to determine what discounts are available to employees prior to purchasing a device and selecting a service plan.

Monthly Service Charges: An annual expense allowance toward service fees will be paid to the employee based upon the actual cost of her or his service plan. The employee is required to attach to the authorization form,

a copy of her or his monthly service plan statement and a certification to the effect that it is representative of what she or he will be paying in the succeeding 11 months.

The percentage reimbursement varies by position and job responsibility and may range from 10% to 75%.

In no case shall the reimbursement exceed the actual cost of the service fees actually incurred.

SDSU Research Foundation prepares an annual cost analysis. These rates are the maximum basis for any allowance. The following maximums apply for calendar year 2015:

Unlimited Voice and Text - \$780 per year or \$65 per month

Unlimited Voice, Text and Data - \$1,100 per year or \$92 per month.

The table below is provided as an example of the basis for a reimbursement plan.

Plans	Annual Cost with Employee Discount	Annual Reimbursement by Required Usage Level		
		Low-level User (10%)	Mid-level User (50%)	High-level User (75%)
A - Unlimited Voice & Text	\$780	\$78	\$390	\$585
B - Unlimited Voice, Text & Data	\$1,100	\$110	\$550	\$825

Renewal Cycle: By default, employee wireless allowances will be paid on an annual/calendar year basis. Other payment cycles will be made on an exception basis only.

Renewal Amount: The authorizing individual and employee will review the basis for the allowance amount at each renewal period and provide an updated justification and a current service plan monthly statement at each renewal cycle.

Interim adjustments: Interim adjustments may be required. Examples of adjustments include: underestimated usage, change in job duties requiring change in usage, changes to increase features/access new technology at the direction of the authorizing individual, termination of employment or other similar circumstances.

- Monthly statements will be reviewed and approved by the employee's authorizing individual, regardless of method of payment.

- All records will be retained in accordance with SDSU Research Foundation's record retention policies and are subject to public disclosure in accordance with the McKee Transparency Act.

Questions related to funding sources and allocations should be directly to the user's supervisor or SR grant specialist.

d. Administrative and Clerical Salaries

Federal regulations state that the salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs on sponsored agreements. However, direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical salaries are integral (i.e. essential, vital or fundamental) to the project or activity
- Individuals involved can be specifically identified with the project or activity
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- The costs are not recovered as indirect (F&A) costs.

To facilitate sponsor approval, PIs are encouraged to specifically budget for these costs and include a justification statement that addresses the criteria under items 1 and 2 in the proposal document. If new or additional (over 25% of the amount previously approved) administrative or clerical support is needed during the life of the award, sponsor approval must be obtained in writing before any costs are incurred. The SRA grant specialist will work with the PI to obtain prior approval from the sponsor agency.

e. Participant Support Costs

Participant support costs include stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. These costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs.

Federal regulations (2 CFR 200.456) state that participant support costs are allowable with the prior approval of the sponsor agency. Participant support costs should be explicitly listed in the proposal budget and budget justification. After an award has been made, requests to add new participant support costs line items to the budget or make changes to existing line items require prior written approval by the funding agency.

f. Consultant and Independent Contractor Payments

PIs frequently use consultants to perform specific tasks when specialized skills or expertise is not available internally. A variety of different legal standards is used

to determine whether or not an individual is an employee or an independent contractor. The post-award staff in sponsored research administration work with the associate director of human resources to assist the PI in applying these standards to ensure the individual is paid appropriately.

Before an individual is retained as a consultant or independent contractor, the PI should complete an *Independent Contractor Pre-Selection Checklist* and forward it to his/her grant specialist. The SRA grant specialist will review the form and forward to the associate director of HR for approval.

Please note that any consultants that are also CSU employees require additional review and may be required to be paid through payroll. See [Evaluating Independent Contractor vs. Employee Status](#) for more information.

Some consulting arrangements may require a consultant agreement in addition to the independent contractor form. A consultant agreement is a contract with an individual rather than an organization that contains specific contractual language concerning task oriented timelines, payment methods and cancellation clauses. The agreement also includes a scope of services, required deliverables, and a budget and/or payment schedule.

The consulting agreement can be initiated any time the PI or the SRA grant specialist determines that tighter controls are required due to the dollar amount of the agreement, the time period of the agreement, or the nature of the work and/or deliverables. Each independent contractor form with a dollar threshold of \$5,000 or greater, and/or a specified contract period of greater than three months, is to be reviewed to determine if a consultant agreement is necessary.

g. Subagreement Procedures

A subagreement is an agreement issued to an external organization under a prime award received by SDSU Research Foundation. The subagreement authorizes a portion of the project activity to be performed by another organization. The word “subagreement” will be used throughout this section to refer to all types of subagreements including collaborative agreements, subagreements, subawards, subcontracts, memorandums of agreement, memorandums of understanding and other third party agreements. The subagreement document outlines the rights and responsibilities of each party.

At the proposal stage, the PI determines whether he/she will be collaborating with another institution to complete the proposed scope of work. The SR development office will review the subagreement materials as well as the full proposal before submitting the proposal to the sponsor. SR development will also ensure that the subrecipient institution has reviewed and approved its portion of the proposal and has submitted a budget and scope of work along with any required institutional assurances to be included in the SDSU Research Foundation proposal. SR development will work with the subrecipient institution to obtain necessary approval for collaboration with the SDSU PI, ensure the budget is adequate to support the scope of work, and verify the authorized institution official has endorsed the subagreement proposal. If a subrecipient is

named on a final sponsor-approved budget and no other restrictions are included in the award document, the subrecipient is considered approved. Note: Some agencies require additional sponsor review and approval of the final subagreement document, even if the subrecipient institution is named in the proposal. If there is a need to issue a subagreement for a portion of the work, but no subrecipient was indicated in the proposal, the SRA grant specialist must secure sponsor approval before a subagreement can be finalized. Prior sponsor approval protects the interests of SDSU Research Foundation and the university. Without prior sponsor approval, the sponsor has no responsibility to reimburse subagreement costs.

In order to issue a subagreement for the procurement of goods or services (as opposed to work to be performed), the project must follow a process of solicitation, selection and award. A request for proposal (RFP) will be developed by the PI and the SRA grant specialist using the scope of work provided by the PI. The goal is to receive a minimum of three responses to the solicitation. Upon selection of a subrecipient, SDSU Research Foundation will negotiate, prepare the subagreement, and finalize the arrangements.

Overview of the Subagreement Process

- The PI should contact her/his SRCC analyst to initiate the issuing of a subagreement.
- The SRCC analyst works with the SRA grant specialist during the preparation of the subagreement. The SRCC analyst is primarily responsible for corresponding with the subrecipient to ensure that compliance issues are met. The SRCC analyst will confer with the PI and/or the SRA grant specialist to ensure that reporting and invoicing are in accordance with the prime award.
- The SRCC analyst will forward a Disclosure of Financial Interest form for the PI to complete and return. The SRCC analyst will request the name of the subrecipient PI and an administrative contact if this information was not included in the proposal document.
- The SRCC analyst will determine if the proposed subrecipient institution is currently approved with current financial statements and certificates of insurance on file with SDSU Research Foundation. If needed, the SRCC analyst will request these items from the subrecipient institution.
- SDSU Research Foundation's finance and accounting manager must review and approve subrecipients based on her/his review of the recipient's A-133 or Single audit or financials before a subagreement will be issued.
- The finance and accounting manager will identify high-risk sub-awardees and may impose additional restrictions on documentation requirements. Risk assessment includes review of financial statements and A-133 or Single audit findings, type and size of the

organization, amount of the subagreement and adequacy of the organization's financial systems.

- The SRCC director also assesses risk in completing a restricted party screening (review to exclude entities that are debarred, suspended or otherwise restricted from receiving funding) at the initiation and prior to fully executing the subagreement. Additional review is performed to determine whether additional restrictions should be imposed including subrecipient's knowledge of sponsored programs administration requirements, potential compliance issues, cost-sharing requirements, and previous history with subrecipient. If needed, the SRCC director will also collaborate with the SR Administration director to determine if any additional areas should be addressed in the subagreement.
- The SRCC analyst will contact the PI and/or the SRA grant specialist to obtain/verify budget information, scope of work, reports or deliverables that will be required from the subrecipient. The SRCC analyst will work with the SRCC director to prepare the subagreement and forward it to the PI and the SRA grant specialist for approval. Upon approval, the subagreement is then transmitted to the subrecipient for review and approval.
- If the subrecipient does not request modifications, the subagreement is partially executed and returned to the SRCC director to fully execute. If the subrecipient institution requests revisions, the SRCC analyst will work with the SRCC director and the subrecipient on the requested modification. Negotiations take place until all parties are in agreement on the terms and conditions of the subagreement.
- Once the fully executed subagreement is in place, the SRCC analyst encumbers the funds and provides a copy of the fully executed subagreement to the subrecipient and the SRA grant specialist.

The SRA grant specialist is responsible for subrecipient monitoring and serves as the point of contact for any problems associated with the subagreement. Subrecipient monitoring may include requests for budget adjustments, supplemental funding (carryover), and no-cost extensions. The subrecipient submits invoices as frequently as monthly directly to SDSU Research Foundation's accounts payable department. This department forwards the invoice to the PI for review and signature approval. The PI reviews and approves the invoice. The PI's approval includes a certification that the work is progressing satisfactorily and all technical reports and/or deliverables due have been received. The PI should notify the SRA grant specialist of any concerns with the progress or deliverables associated with the subagreement. Approval of the invoices may be held at the PI's request pending satisfactory performance. The SR grant specialist will review and authorize the subrecipient's invoice/financial report for payment. Unless the subrecipient has been designated as a "high-risk sub awardee" supporting documentation for the subrecipient's invoice/financial report is generally not required. The payment authorization form is forwarded to A/P for processing.

Subrecipient Monitoring

SDSU Research Foundation is ultimately responsible for every compliance aspect of the project, including the subagreement portion. SDSU Research Foundation's obligation to the sponsor agency does not change if the subrecipient has unsatisfactory progress or defaults.

PIs are responsible for acting as the technical monitor of the subagreement and overseeing the performance of the subrecipient to ensure satisfactory completion of the scope of work. This includes:

- Monitoring the subrecipient's technical and programmatic activities as they relate to the subagreement.
- Reviewing subrecipient's technical/performance reports as required.
- Verifying subrecipient has completed the scope of work in both a timely and satisfactory manner.
- Reviewing and approving invoices submitted by the subrecipient. This includes reviewing expenditures to ensure they are appropriate for the work being performed and in accordance with the terms and conditions of the subagreement.
- Maintaining regular contact with the subrecipient.
- Notifying the SR grant specialist of any concerns with the subrecipient's performance or spending.
- Working with SR Administration and the subrecipient to resolve any issues identified.

SR Administration is responsible for subrecipient monitoring in accordance with federal requirements, award specific terms and conditions and research foundation policies and procedures. This includes:

- Reviewing subrecipient invoices to ensure costs are allowable, allocable and reasonable, and are appropriate for the approved budget and the terms and conditions of the subagreement.
- Ensuring that subrecipient invoices are approved by the PI or his/her designee and submitted in a timely manner.
- Requesting additional information or source documentation from the subrecipient if invoices contain costs that are questionable or insufficiently detailed.
- Working with PIs to resolve any concerns reported. Resolution of significant concerns may involve the PI, SR Administration, SR Contracting and Compliance and the subrecipient. Actions taken by SRA will be based on the individual situation and may include performing a desk audit, requesting and approving a subrecipient corrective action plan, additional monitoring of subrecipient's progress and follow-up action for non-compliance.

h. Scholarship/Fellowship Payments to Individuals

Scholarship/Fellowship disbursements can only be issued to individuals who are not being required to perform any past, present, or future services in

exchange for the payment. Individuals participating in activities warranting the payment of scholarship or fellowship funds will have been selected for participation in conjunction with the eligibility requirements associated with the project award guidelines. The disbursement of funds to an individual may cover books, equipment, fees, living expenses, supplies and/or tuition required for courses or instruction or participation in project activities.

The receipt of scholarship/fellowship funds can affect a student's eligibility for financial aid. The SDSU Office of Financial Aid and Scholarships reviews payments made to students by SDSU Research Foundation and uses this information to determine the allowable amount of financial aid for each affected student.

Individuals receiving payment under the above circumstances will complete the *Notice to Recipients of Scholarships and Fellowships*. If the individual receiving payment has applied for or has been awarded financial aid, approval from the SDSU Office of Financial Aid is required prior to any payments being issued from SDSU Research Foundation. The form is located at: www.foundation.sdsu.edu/doc/ap_fa_notice_schol_fellow.docx.

The Internal Revenue Service does not require SDSU Research Foundation to report taxable fellowship and scholarship income to either the individual or the IRS. It is entirely the responsibility of the U.S. citizen or resident alien to report any taxable income on her/his tax return. If the recipient has any questions, it is recommended that they engage a tax professional.

H. Rebudgeting and Other Changes to the Project

During the life of the award, PIs may need to implement changes to their projects to revise the budget or scope of work to accommodate the changes made to the project after the proposal stage. Many of these changes require approval from the sponsor and/or SDSU Research Foundation before any revisions can be implemented.

- **Changes That May Require Prior Sponsor Approval or Formal Notification:** The following guidelines are for federally-funded projects but also may be applicable to other types of grants and contracts. PIs are encouraged to contact their SR grant specialist in advance if any of the following changes are necessary. Specific sponsor approval requirements for each individual fund are outlined on the award analysis available in PI Profile. Requests for sponsor approvals should be prepared and signed jointly by the SR grant specialist and the PI and submitted to the federal sponsor agency 30 days in advance of the requested effective date of the change.
- **Rebudgeting:** Changes in a project's sponsor-approved budget must be approved by SDSU Research Foundation and may also, in certain situations, require prior consent of the funding source. If a budget change is necessary, the PI prepares a Budget Adjustment Request form, including justification, and forwards the form to the SR grant specialist. If the sponsor agency's approval is required, SDSU Research Foundation submits a request to reallocate funds to the sponsor

based upon the justifications provided by the PI. Budget Adjustment Request forms may be obtained from SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#sra>.

- **Changes in Objectives or Scope:** The sponsor agency expects the scope of work to be carried out as prescribed in the proposal with minimal changes in methodology, approach or other aspects of the project objectives. Any changes that significantly alter the scope of work, direction, or other areas that constitute a significant change from the objectives of proposed plan require sponsor approval.
- **Change of Key Personnel:** Any changes to key personnel specified in the application or named on the notice of award, whose expertise is critical to the success of the project, require prior approval.
- **PI Effort:** If the PI anticipates withdrawing from the project or being disengaged from the day-to-day supervision of the project for a period of three months or more, prior sponsor approval is required. Prior sponsor approval is also required if the PI reduces her/his effort devoted to the project by 25 percent or more.
- **New Subagreements:** Prior approval is required before issuing any subagreements not included in the award budget and scope of work. (See Section [II.G.5.e](#). Subaward Procedures.)
- **Participant Support Costs:** The transfer of funds budgeted for participant support costs to other categories of expense requires prior approval by the federal sponsor agency. (See Section [II.G.6.e](#). Participant Support Costs)
- **Administrative and Clerical Salaries:** Creating a new line item or increasing an approved budget category for clerical and administrative salaries. (See Section [II.G.6.d](#). Administrative and Clerical Salaries)
- **Significant Rebudgeting:** Significant rebudgeting occurs when expenditures in a direct cost budget category increase or decrease by more than 25 percent of the total costs awarded. For example, if the award budget for total costs is \$200,000, prior approval may be required for any rebudgeting that would increase or decrease the budget category by \$50,000.
- **Carryover of Unobligated Balances:** Prior sponsor approval may be required to carry over funds remaining at the end of a budget period to the subsequent budget period. PIs are required to provide justification for amounts greater than 25 percent of the current year's total budget (including any prior year carryover) in their non-competing renewal applications.
- **No-Cost Extension:** If additional time is needed beyond the original project end date to complete the proposed scope of work, a 12-month extension without additional funds is normally granted. The fact that funds remain at the end of a project is not sufficient justification for an extension. The project is required to update all required certifications, including conflict of interest, financial disclosures, human subjects and animal welfare to cover the additional time period. PIs should contact their SRA grant specialist at least 60 days prior to the end date of the award if they anticipate the need for a no-cost extension. Sponsor agencies typically

require the request to be made no later than 30 days **before the end date of the award.**

I. Reporting Requirements

- *Program/Progress/Technical Reports:* The PI is responsible for preparing and submitting programmatic reports to document progress achieved to date in accordance with the sponsor's required format and due dates and for retaining copies for the required period of time once the award is closed. A copy of these reports should be forwarded to the SR grant specialist to be included in the official record for the project. Failure to submit these reports in a timely manner could result in the sponsor denying payment of SDSU Research Foundation invoices and/or may jeopardize future funding from the sponsor. Please refer to the award analysis for the project on PI Profile for specific reporting due dates on individual grants or contracts or contact your SR grant specialist.
- *Financial Reports:* SDSU Research Foundation's finance and accounting department prepares all interim and final financial reports required by the sponsor. Sponsors normally require a final financial report 60-120 days after the end date of a project. It is important that PIs finalize all expenditures within 30 days of the end of a project to ensure accurate financial reporting and closeout of the award in accordance with federal requirements. SR grant specialists will contact PIs or their administrative staff to confirm final expenditures have been submitted to ensure all costs are included on the final financial report. SR grant specialists will also ensure that additional forms such as *contractor's release*, *invention statements*, and *property* forms are submitted in accordance with sponsor requirements.

J. Other Compliance Issues

1. Cost-sharing

When federal statute or agency regulations require that the university share in the cost of sponsored projects, the university contribution is referred to as "cost-sharing." The terms "cost sharing," "matching" and "in-kind" are often used interchangeably. In general, cost-sharing represents that portion of project or program costs not borne by the sponsor (generally the federal government).

Definitions:

Mandatory Committed cost sharing is required by statute or law and is explicitly described in the notice of funding opportunity and specifically included in the proposal document.

Voluntary Committed cost sharing is contributions that are not required in the notice of funding opportunity but are specifically offered in the proposal budget, budget justification or letters of support and become a binding requirement of the award, requiring documentation.

Voluntary Uncommitted cost sharing is contributions that are not included in the proposal or identified on the notice of award. This type of cost sharing is not tracked or reported to sponsor agencies. If this type of cost sharing is used to meet a sponsor requirement, such as a PI effort obligation, documentation requirements apply.

Cash contributions represent the recipient's cash outlay, including the money contributed to the recipient by non-federal third parties.

In-kind contributions represent the value of all non-cash contributions, including services and property, provided by the recipient and/or non-federal third parties.

Policy: It is the policy of the research foundation and the university to offer cost-sharing in a proposal only when it is a requirement of the request for proposal or the program announcement. Federal regulations (2 CFR 20.306) state that federal agencies must explicitly describe the criteria for cost sharing requirements that will be used as a factor in determining receipt of an award in the notice of funding opportunity. Non-federal sponsors typically indicate in program guidelines whether or not cost-sharing is mandatory for a specific proposal submission. Cost-sharing is included in proposals only when required so that limited university resources, both monetary and time commitments, can be used most effectively. If offered in a proposal, all matching contributions, both cash and in-kind, must adhere to the following criteria as required by OMB Uniform Guidance, Subpart D (2 CFR 200.306):

- a. Are verifiable from the recipient's records;
- b. Are not included as contributions for any other federal award;
- c. Are necessary and reasonable for accomplishment of the project or program objectives;
- d. Are allowable under the applicable cost principles (Uniform Guidance: 2 CFR 200, Subpart E or other sponsor regulations if the sponsor is non-federal);
- e. Are not paid by the federal government under another award, except where the federal statute authorizing a program specifically authorizes the use of those funds for cost sharing under other federal programs;
- f. Are provided for in the approved budget when required by the sponsoring agency;
- g. Conform to other provisions of Uniform Guidance, 2CFR 200.306 Subpart D, as applicable.

The SR development department ensures that the proposal budget reflects only the proper level of cost-sharing required. Since documenting cost-sharing is a time consuming process for PIs and research foundation staff, efforts are made to not offer cost-sharing when it is not required or difficult to document.

The SR administration department works with the PI to ensure all cost-sharing is adequately documented and source documents are provided. Whether it is mandated or voluntary, budgeted cost-sharing must be documented in the post-

award phase of a project by the PI. The SR administration department summarizes the actual cost-sharing received, ensures documented cost-sharing is reported to sponsor agencies as required, and maintains the cost-sharing summary and the source documentation in the award file. PIs should contact their SRD development specialist with questions regarding including cost-sharing in a proposal. The grants specialist is available to respond to questions regarding documenting cost-sharing on awards.

2. Program Income Policy

Federal regulations define program income as gross income earned by a grantee or its subcontractors that is directly generated by a grant-supported activity or earned as a result of the grant. (OMB Uniform Guidance, 2 CFR 200.80)

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under the grant, the sale of commodities or items fabricated under the grant, -, and interest on loans made with grant funds. Program income does not include interest earned on advances of federal funds or the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them, except if specified in the terms and conditions of the federal award

All program income earned during the project period shall be retained by the SDSU Research Foundation in accordance with federal awarding agency regulations and the terms and conditions of the award and shall typically be used in one of the following ways:

- a. **Additional Funds:** program income funds will be added to the amount awarded by the federal awarding agency and must be used in accordance with award terms and conditions for the purposes of the award.
- b. **Cost-sharing or Matching:** with prior approval of the sponsor agency, program income may be used to meet the cost-sharing requirement of the federal award.

PIs are responsible for notifying SR Administration of any revenue that is associated with or generated by a sponsored program, regardless of whether the sponsor is federal or non-federal. If it is determined that the revenue is program income, the SR grant specialist will work with the PI to establish a 9-ledger fund in the research foundation's accounting system. Facilities and Administrative Costs (F&A) and Fringe Benefit rates will be applied to program income 9-ledger funds at the same rate as the sponsored project associated with the fund or at a minimum of 6%, whichever is greater.

PIs are responsible for ensuring all funds received for program income are deposited into a program income fund and expended in accordance with research foundation policies and procedures and sponsor agency terms and conditions. PIs should also monitor the monthly budget reports produced for program income funds in a manner consistent with that used to monitor their other project funds.

During the life of the award, the SRA grant specialist will approve expenditures against the program income fund in accordance with the research foundation's

policies and procedures and sponsor agency terms and conditions (see Section II.G Expenditure Processing). The grant specialist, in conjunction with finance & accounting, will ensure that program income costs are included on sponsor required financial reports and are accurately reported to the federal government.

As funds are received, the SR administrator will deposit the checks/cash into the 9-ledger fund established to receive the income.

SR administrators will monitor and reconcile program income funds in a manner consistent with the method used to administer grant funds.

3. Credit Card Processing and Security Policy - Merchant Services Policies and Procedures

Some SDSURF projects accept donations or payments for goods or services such as application and registration fees and have been set-up with credit card merchant accounts. Projects accept payments through point of sale (POS) terminals or have agreements with third-party processors to provide payment gateway services that allow customers to make purchases on-line via the Internet.

The ability to accept credit card payments comes with risk and the responsibility to protect sensitive cardholder data.

SDSURF projects that participate in card processing activities (merchants) are required to follow strict procedures to protect customers' credit card data. The credit card companies (including Visa, MasterCard, Discover, and American Express) have developed standards that all credit card merchants must follow called Payment Card Industry Data Security Standards (PCI DSS). In addition, all projects utilizing merchant accounts must adhere to the [ICSUAM Credit Card Payment Policy](#), San Diego State University [Information Security Plan](#) and SDSURF's Merchant Services Policies and Procedures. See [Credit_Card_Processing_Security Policy](#) found on SDSURF's website..

Failure of merchants to comply with these standards and guidelines and otherwise adequately protect sensitive cardholder information will result in the suspension of merchant privileges. In addition, fines may be imposed by the affected credit card company, ranging from \$5,000-\$50,000 per violation, per month out of compliance, per credit card company.

4. Effort Reporting Procedures

Educational institutions conducting research, instruction, and/or other sponsored work under grants, contracts, and other agreements with the federal government are required to comply with the costing principles described in OMB Circular 2 CFR PART 220 for awards issued prior to December 26, 2014. Section J.10 of Circular 2 CFR PART 220 describes the principles, criteria, and examples of how employee compensation for personal services rendered under sponsored agreements should be charged and subsequently documented. The Office of Management and Budget (OMB) combined eight federal circulars into a single guidance document (known as Uniform Guidance, or 2 CFR 200) to be used by

all agencies. These regulations became effective December 26, 2014 for awards issued or amended to incorporate these regulations on or after that date.

The salary and wage costs of employees with a university (SDSU) appointment are compensated to the employee by SDSU, SDSU Research Foundation or a combination of both organizations. The effort reporting system described herein was established to meet the requirements of Section II. J.10 referenced above and reviewed to ensure it meets the requirements outlined in the OMB Uniform Guidance, 2 CFR 200.430.

The effort report contains comprehensive time and effort information, including percent of SDSU assignment allocated to instructional activities, reimbursed time, direct pay, and cost-sharing or release time for faculty and staff who work on federally and non-federally sponsored programs. To maintain consistency, effort reports are prepared, distributed, and certified for all employees with a SDSU appointment who work on sponsored agreements. The research foundation attempts to complete this process within 120 days of the end date of the effort reporting period. Effort reports are typically created 60 days after the end date of the term period. The reports are distributed electronically via PI Profile to the employee for review and certification. Follow-up notices are sent and if necessary, phone calls and office visits are made to ensure the effort reports are certified in a timely manner.

The sponsored research services division is responsible for the preparation, dissemination, and collection of all effort reports. Information is gathered during the year on all SDSU faculty and instructional staff. The information is gathered from workload forms, downloads from the research foundation's financial system, and cost-sharing information provided by SRA grant specialists.

The recipient of an effort report is required to certify that the distribution of effort recorded in the payroll systems and reported on the effort report is a reasonable estimate of the actual work performed during the period covered by the report. If not, the individual must indicate the correct distribution of effort so that the payroll allocations can be corrected. Notifications of updated effort reports that require certification are sent monthly.

See http://www.foundation.sdsu.edu/pdf/sra_costsharing.pdf for more information about effort reporting.

5. Export Controls

Current export law controls certain hardware, data materials, chemicals information, individuals and other items pertaining to a wide range of designated "Defense Articles" and "dual use" items in a way that may have a substantial impact on research at U.S. universities. Every award is subject to export control regulations whether or not there is an explicit clause within the award document. Also, individuals carry responsibilities with regard to the export of certain materials on the Commerce Control List (US Department of Commerce) or U.S. Munitions List (US Department of State) and Office of Foreign Asset Control (OFAC-US Department of Treasury). The majority of activities SDSURF is

involved in meets the exclusion test as fundamental research and does not involve sanctioned countries or individuals. There may be exceptions. These must be reviewed to ensure that SDSURF is in compliance with export control regulations. Questions regarding the applicability of export controls on a specific program should be directed to the SDSU Export Control Officer. (See: <http://newscenter.sdsu.edu/researchaffairs/exportcontrols.aspx>)

6. Information Assets Acceptable and Responsible Use Policy

Information assets are information systems, data, and network resources to include electronic files and databases. Information systems are any combination of hardware, network and other resources that are used to support applications and/or to process, transmit and store data, including, but not limited to desktop computers, laptop computers, netbooks, smart phones, servers, voice-mail, e-mail, electronic storage devices, automated files and databases. These items and all data transmitted through SDSU Research Foundation (research foundation) systems are research foundation property and must be maintained according to research foundation policies.

Information assets used by research foundation employees, principal investigators, project directors, and authorized third parties are provided solely to further research foundation's business operations. Use of these resources is a privilege that is extended to members of the SDSU and SDSURF community. Users of these services and facilities have access to valuable research foundation resources, sensitive data, and to internal and external networks. It is the collective responsibility of all users to ensure the confidentiality, integrity, and availability of information assets owned, leased or entrusted to SDSU and SDSURF assets in an effective, efficient, ethical, and legal manner. The research foundation reserves the right to inspect all research foundation property to ensure compliance with its policies, without notice to the employee and at any time, not necessarily in the employee's presence. The research foundation also reserves the right to change or override passwords and personal codes due to business necessity.

Access to SDSU/SDSURF systems, data, and network resources is predicated on the user's acceptance of and adherence to the responsibilities detailed in the [SDSU Research Foundation Information Assets Responsible Use Policy](#) and the [SDSU Information Security Plan](#).

In addition to access to research foundation information assets, many research foundation employees may also have access to or manage systems and assets that are connected to SDSU and/or CSU networks and must also comply with the SDSU Information Security Plan: <http://security.sdsu.edu/iso/secplan.htm>

7. Electronic Approvals

SDSU Research Foundation utilizes information systems that support electronic transactions, including electronic approvals (e-authorization). Unique accounts (user ID and password) are created for individual PIs and employees and are for the use of the assigned individual only and must NOT be shared. Use of on-line user IDs and passwords in SDSU Research Foundation systems is the equivalent of a wet ink signature on paper. Individuals shall be liable for all activities on their assigned accounts.

8. Password Security

User accounts (unique user ID, password and job specific system permissions) are assigned directly to users with a need to access various SDSU Research Foundation systems. Passwords are assigned to individual users for exclusive use only and should not be shared with, or delegated to, others. Use of on-line user ID and passwords in research foundation systems is the equivalent of a wet ink signature on paper and individuals are responsible for maintaining the confidentiality of assigned credentials. Managers should ensure that users are not asked to reveal their personal passwords, except under limited circumstances. Coordinate with your SDSU Research Foundation HR Business Partner if you believe there is a need to require an employee to reveal a password. Password construction guidelines and secure methods of delegating authority (back-up coverage, extended absence coverage, shared workloads, etc.) are described in the [SDSU Research Foundation Password Policy](#).

Secure Account Usage / Password Protection Standards

Passwords are the front line of protection for user accounts. A poorly chosen password may result in compromising the research foundation's entire organizational network. As such, all research foundation personnel who have or are responsible for an account (or any form of access that supports or requires a password) on any system that resides at any SDSURF facility, has access to the SDSURF network, or stores any non-public information (including contractors and vendors with access to SDSURF systems) are responsible for taking the appropriate steps, as outlined below, to select and secure their passwords.

- **Do not share passwords. All users are responsible for keeping their passwords confidential.** Accounts created for an individual are for the use of that individual only. Users are responsible for any use of their assigned account(s).
- Use different passwords for different systems and do not use the same password(s) for both business and personal applications.
- Never use the "remember me on this computer" feature of any applications.
- Do not embed passwords into programs.

- Change passwords often, at least once every six months (or semester).
- Change password immediately if it is suspected to have been compromised and report the incident to your supervisor or computing services personnel immediately.
- Do not re-use passwords.
- Passwords must never be stored in a file on ANY computer system (including mobile phones, laptops, PDAs, etc.) without encryption. Passwords should not be written down. However, if it is necessary, the password should not be written or stored with the user ID or application name and must be secured in a locked drawer.

9. Data Classification and Handling Policies

Information Classification Standard

SDSU Research Foundation has adopted the draft CSU Data Classification and [SDSU Information Classification](#) standards as a minimum information classification standard. Full information on the Information Classification Standard is available in the San Diego State University Information Security Plan, Section 3.0. It is available on the SDSU IT Security Office (ITSO) website at <http://security.sdsu.edu/policy/>. These standards outline three levels of classification and standards to which information must be secured:

1. Protected Level 1 – mandated by law or regulation
2. Protected Level 2 – proprietary, ethical or privacy considerations
3. Protected Level 3 – public information.

Along with these standards, the following guidelines and policies have been established by SDSU Research Foundation to assist in reducing exposure to information and data loss.

- Information security is essential whether information is conveyed electronically, over the phone or in written documents, whether it is acquired, transmitted, processed, transferred and/or maintained by SDSURF.
- All SDSU Research Foundation staff, PIs, project directors and entities working on behalf of SDSURF are subject to these guidelines and policies, and adhering to SDSU Information Security policies and procedures, including periodic Security Awareness Orientation training.
- Non-research foundation (personal) information (both electronic and non-electronic), such as personal credit reports, personal bank statements, or even contact information from a synchronized cell phone or PDA should not be stored on SDSURF systems as SDSURF does not assume responsibility for securing this information and many systems may not be secured for this information by default. Personal information does not just pertain to first party

personal information (yours), but also to any third party personal information (someone else's).

10. E-Mail Services

All SDSU Research Foundation active employees are eligible for a campus hosted e-mail account. Others with special relationships with SDSURF, such as volunteers, may be issued accounts upon approval. The @mail, @foundation, and @kpbs.org mail accounts are all issued and maintained by SDSU and hosted by Google Apps Gmail. Accounts are managed by SDSU Enterprise Technology Services (ETS). Legal first and last name, date of birth and RedID are required to request a campus hosted e-mail account.

<http://ets.sdsu.edu/helpdesk/email.htm>

It is each account user's responsibility to manage e-mail messages classified as official communications in accordance with CSU, SDSU and SDSU Research Foundation records management policies. E-mail is not a good archival system for important documents. Employees should work with their supervisors and IT Help Desk to determine the best method for preserving and managing e-mail messages that contain information that should be classified as an official record.

Mailbox permissions are disabled and purged upon request or when the person no longer meets eligibility requirements, typically a grace period beyond the employee's termination date. It is the responsibility of the PI and/or employee's manager to preserve any e-mail communications classified as official business records when an employee separates employment with the research foundation.

11. Intellectual Property

The Technology Transfer Office (TTO) manages all aspects of intellectual property (IP) with the goal of bringing qualifying properties to the open market. It helps to identify discoveries and creative works that need protection and have commercial potential. In addition, the TTO provides appropriate documents for the protection of IP, such as confidential disclosure documents. Managing the commercialization of these inventions, authored works, and other projects is also part of the TTO service. Other services include patent, copyright, and trademark filing, technology assessment, as well as marketing and marketing research. For additional information access: <http://tto.sdsu.edu/>.

12. Research Integrity/Regulatory Compliance

SDSU is committed to achieving the highest standards in its conduct of research. Through the University Research Council, standing committees implement federal, state and institutional policies associated with research compliance as well as research development and promotion. Sponsored Research Contracting and Compliance (SRCC) in collaboration with the SDSU Division of Research Affairs has oversight of regulatory assurances between the federal government and the university. These assurances are agreements that detail the

responsibilities of those involved in the conduct of research to ensure the research is carried out in a manner consistent with accepted standards of ethical research practices. Programs that support research integrity and compliance include:

a. Animal Care and Use Program

<https://newscenter.sdsu.edu/researchaffairs/animalcare.aspx>

SDSU is committed to ensuring the humane care and use of all animals associated with its research and teaching programs. Stringent federal laws and policies, such as the federal Animal Welfare Act, regulate the use of animals in research. The SDSU Animal Care and Use Program meets or exceeds all requirements through oversight by the Office of Laboratory Animal Care and the Institutional Animal Care and Use Committee. The Animal Care and Use Program has two components:

▪ **Office of Laboratory Animal Care (OLAC)**

The SDSU Office of Laboratory Animal Care (OLAC) is housed within/overseen by the College of Sciences. The primary objective of the OLAC is to ensure that each animal at the university receives the highest quality of care tailored to its individual needs. The OLAC includes on its staff a veterinarian board certified in Laboratory Animal Medicine, a Vivarium manager, and laboratory animal technicians and caretakers.

The OLAC staff observes animals daily to ensure their health and welfare. The veterinarian serves as a member and consultant to the Institutional Animal Care and Use Committee on matters relating to animal health and veterinary care. The campus veterinarian participates in reviewing animal studies, performing facility inspections, and assisting in training faculty and students who will be working with animals.

Animal Care Technicians provide daily care for laboratory animals. The first qualification for obtaining a position in OLAC is having compassion for animals. Many of the technical staff are graduates of animal health technology programs of universities or technical schools. On-the-job training, informal lectures, and formal course work provide personnel with knowledge of the laws governing animal research and methods of proper care and handling of a wide variety of animal species. OLAC encourages employees to take certification examinations that are offered through the American Association for Laboratory Animal Science.

The Office of Laboratory Animal Care, in conjunction with the Institutional Animal Care and Use Committee, monitors and ensures compliance with federal and state laws, regulations, and guidelines governing the care, use, and housing of animal subjects used in research, testing, and teaching. OLAC provides services and resources needed by investigators to accomplish their animal research objectives and assists in providing training in laboratory animal care and use to technical personnel, students, and faculty.

▪ **Institutional Animal Care and Use Committee (IACUC)**

The SDSU Institutional Animal Care and Use Committee (IACUC) is a committee of the University Research Council and is administered through the Division of Research Affairs. The vice president for research is the "institutional official" responsible for research and teaching involving animal subjects.

Through the IACUC, which includes veterinarians, scientists, and private citizens as members, SDSU ensures that all research, testing or educational instruction involving animals is conducted in a humane manner using the fewest number of animals possible to obtain valid results. Charged with this responsibility, the IACUC:

- Reviews all proposed uses of live vertebrate animals in research, teaching and testing, including regular reviews of all ongoing projects.
- Inspects all the animal facilities at least once every six months. Any deficiencies noted are classified as "significant" or "minor." The Institute of Laboratory Animal Resources (ILAR) Guide for the Care and Use of Laboratory Animals (the Guide) is used as a basis for the evaluation. Expected completion dates for deficiencies to be corrected will be specified. If required, any corrections required by the USDA will be reported to the USDA.
- Reviews the animal care and use program at least once every six months.
- Submits semi-annual reports of facility inspections and program reviews to the Institutional Official (Vice President for Research).
- Submits an annual report to the Public Health Service, National Institutes of Health (NIH), and Office of Laboratory Animal Welfare (OLAW) detailing changes in the animal care and use program, changes in IACUC membership, and the results of the semi-annual facility inspections and program reviews.
- Submits annual reports to the USDA.
- Investigates all concerns involving the care and use of animals at SDSU.
- Makes recommendations to the Institutional Official regarding the animal care and use program, animal facilities, and the care and use training programs available to personnel.
- May suspend a previously approved animal related activity if the committee determines that the activity is not being conducted in compliance with the Animal Welfare Act, PHS policy, or the Institutional IACUC policies.
- Ensures that investigators have appropriate training to use animals as they propose in their animal protocol forms (APFs).
- Cooperates with other administrative units at SDSU to ensure compliance with other university policies and other regulations involving animals as the need arises. This includes Graduate and Research Affairs, Division of Research Affairs (e.g., which oversees completion of Materials Transfer Agreements and Student Thesis Committee Appointment Forms), SDSU

Research Foundation (e.g., contract and grant proposal routing forms), and Environmental Health & Safety (e.g., authorizations for use of radioactive materials and controlled substances).

b. Biosafety

<https://newscenter.sdsu.edu/researchaffairs/ibc.aspx>

SDSU is responsible for ensuring that recombinant DNA research or experiments involving biological materials or potentially hazardous materials are conducted in compliance with the NIH Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines) and the CDC Biosafety in Microbiological and Biomedical Laboratories guidelines to promote safe and responsible practices. On behalf of SDSU, the Institutional Biosafety Committee (IBC) reviews research for this purpose. The IBC is a committee of the university research council appointed by the Vice President for Research.

The Division of Research Affairs provides administrative support to the IBC. The IBC membership is determined based on federal guidance and includes a biosafety officer, an animal expert, scientists, and private citizens.

Principal investigators using biohazardous materials or conducting experiments involving recombinant DNA in their laboratories must obtain approval from the IBC. To initiate this process, the investigator must complete a Biological Use Authorization (BUA) Form. The BUA may be reviewed and approved by the institutional biosafety officer (IBO) for BL-1 experiments. The IBO and the IBC will review research involving BL-2 or BL-3 experiments.

c. Conflict of Interest

<https://newscenter.sdsu.edu/researchaffairs/coi.aspx>

The conflict of interest committee evaluates research when an investigator discloses a significant financial interest that may influence the conduct of the activity. The committee determines what, if any, conditions or restrictions should be imposed on the investigator or research protocol in order to manage, reduce or eliminate such conflicts of interest.

The conflict of interest policies of the university serve as a guide to faculty and other employees with principal responsibility for research projects conducted at San Diego State University and establish procedures to be followed to comply with state and federal requirements for review and oversight of research.

d. Human Research Protection Program

<https://newscenter.sdsu.edu/researchaffairs/hrpp.aspx>

SDSU assumes responsibility for the protection of the rights and welfare of human subjects in accordance with federal regulations and SDSU's Federal Wide Assurance issued by the U.S. Department of Health and Human Services. The Institutional Review Board (IRB), a standing committee of the University Research Council, reviews research involving human subjects to ensure that all

projects conform to the federal and institutional regulations and policies. This site is designed to provide access to information for the faculty, students, and employees of SDSU who plan to conduct research that involves human subjects.

e. Responsible Conduct of Research

<https://newscenter.sdsu.edu/researchaffairs/rcr.aspx>

SDSU is committed to maintaining the highest standards in the conduct of research and scholarship. SDSU's policy on Integrity in Research and Scholarship is approved by the academic senate as well as the Department of Health and Human Services' Office of Research Integrity (ORI).

Information and educational materials to facilitate the responsible conduct of research are available through the following web sites.

f. Research Integrity/Misconduct Policy

<https://newscenter.sdsu.edu/researchaffairs/draintegcomp.aspx>

g. Human Research Protection Program - Education and Training in Research Ethics

<https://newscenter.sdsu.edu/researchaffairs/hrpp.aspx>

h. Project TRES

<http://projecttres.sdsu.edu/tres/>

i. Education and Training in the Care and Use of Laboratory Animals

<https://newscenter.sdsu.edu/researchaffairs/acuptraining.aspx>

j. Office of Research Integrity (ORI)

<http://ori.hhs.gov/>

K. Fund Closeout

1. Closing Cost Reimbursable Sponsored Research Funds (5-ledgers)

Project directors receive notification of sponsored research funds that are scheduled to end within 90 days prior to the scheduled end date of the project budget period. Project directors should work with their SR grant specialist during this time to forecast final expenditures, finalize cost-sharing documentation, request no-cost extensions or carryover of unobligated funds to a subsequent budget period.

Technical Reports

PIs are responsible for submission of final technical reports and deliverables in accordance with the format and due dates specified by the sponsor agency. The PI is responsible for record retention of all programmatic materials and reports;

however, a copy of all reports should be forwarded to the SR grant specialist as documentation for the award that the requirement has been fulfilled. .

Financial Reports

Once the fund has ended, the SR grant specialist will work with the project director to finalize all expenditures and if applicable, verify that cost-sharing documentation has been completed in preparation for submission of a final invoice or financial report to the sponsoring agency. SDSU Research Foundation is typically required to submit either a final financial report or a final invoice within 90 days after the end date of a project. Due dates for specific awards may vary. See your grant award or contract document or fund analysis (available via PI Profile) for specific award requirements. Not meeting these deadlines may result in denial of payment for legitimate expenses and may also jeopardize the research foundation's ability to receive future funding.

Records Retention

Funding agencies require SDSU Research Foundation to retain records on closed awards for a specified period to provide a window of time in which they may access the records for audit purposes after a project has ended. SDSU Research Foundation is required to retain all years of a competitive segment of an award for a minimum of three years after the final year of the project has ended. (A competitive segment is funding awarded in one-year award increments (up to 5 years) referencing the same grant/contract number.)

If a closed project's files are the subject matter of audits, appeals, litigation or the settlement of claims arising out of the performance of the project, SDSU Research Foundation is required to retain these records until resolution is reached. The PI is responsible for retaining all programmatic records and reports for the required period of time and making them available as needed in the event of an audit or other request.

2. Closing of Fixed-Price Contracts (5-ledgers)

The majority of agreements received by SDSU Research Foundation are cost-reimbursable; however, periodically a sponsor will agree to pay SDSU Research Foundation a set fee for satisfactory completion of contracted services or submission of deliverables. The determination of the fee should be negotiated based on the best estimate by the PI of the costs necessary to perform the services being contracted. The budget should include recovery of the full facilities and administrative costs (F&A) applicable to the type of award based on SDSU Research Foundation's federally negotiated F&A rates. Any requests for a waiver or reduction of the full rate must be approved in writing by the PI's dean and the vice president of research. During the contract period, all expenditures necessary to complete the contract must be charged against the fund, including reimbursement to SDSU for any state-funded expenditure incurred on behalf of the project.

SDSU Research Foundation either receives set payments or invoices the sponsor based upon a set schedule, generally tied to the completion of certain

project tasks and/or deliverables. In the event the project director was able to complete the contracted services for less than the agreed upon rate, the remaining direct cost balance may be requested to be transferred into a campus program self-support (9-ledger) fund. The following information must be provided with the request:

- A detailed explanation of how services were completed and why a surplus is remaining. Specific line item surpluses should be addressed in the explanation.
- A calculation of the percentage of funds remaining as compared to the original cost estimate to complete the work.
- A certification by the PI that all expenditures have been posted to the fund.
- A certification that there are no costs that have been incurred by SDSU that have not been reimbursed by the fund.
- A certification from the dean of the college that work was not done on university time and no reimbursement is owed when funding remains in faculty line items because faculty performed the work but waived their salary compensation.
- An explanation as to how the surplus will be used once it is transferred into a 9-ledger.

The director of sponsored research administration will review and approve all close-out journal vouchers for fixed price contracts where a surplus balance exists. If a waiver was granted at the contract negotiation stage for an F&A rate less than the research foundation's federally-approved rate, and a surplus balance exists at the end of the agreement, SDSU Research Foundation will retroactively apply and collect F&A earned at the full rate on direct expenditures applied against the fund prior to authorizing the transfer of any surplus.

Additional one-up authorizations may be required if the remaining surplus is substantial either in amount or as a percentage of the original cost estimate.

Once approvals have been received, the surplus is transferred into a campus programs self-support fund. The 9-ledger fund is established in the PI's name and must define how the residual balances will be used. All 9-ledger requests require approval of SDSU's Business and Financial Affairs office. All 9-ledger funds are established with a minimum 6% administrative fee. The difference between the full F&A rate and the 6% administrative fee to be earned on the surplus will be collected as earned revenue prior to the transfer of funds into the project director's 9-ledger fund.

3. Close out of Campus and Community Programs (9-ledgers)

SR grant specialists review all 9-ledger funds with balances less than fifty dollars (\$50.00) on a periodic basis to determine if they have fallen into inactive status. Grant specialists contact the project director of each fund to determine whether additional activity is expected or if the fund should be closed. Project directors should work with their grant specialists to close or consolidate these funds with existing discretionary funds if appropriate.

In addition, a fund review is conducted of each 9-ledger approximately every three years, unless otherwise established by the parameters of the individual fund, to ensure accurate record keeping. The review may be completed at the College or Academic unit level or at the fund level. The review process includes verification that the funds stated purpose is current and accurately reflects the activities that are occurring, a review of revenue and expenditures to confirm they have remained consistent with the approved operating agreement. Updates will be made to reflect any changes in the origin of income or nature of expenditures related to the fund.

Fund renewal requests are approved by the College/Academic unit and are then reviewed by the associate executive director of sponsored research services or the director of sponsored research administration and the SDSU Office of Business and Financial Affairs to determine if the funds should be renewed. If approved, an updated analysis is created and distributed reflecting the new end date on the fund. A new review date is established for the fund and the end date is extended as appropriate in the Banner Finance system. Upon completion of the review, the fund request is filed into the fund file. Project directors and fund managers should notify their SR grant specialist if the purpose of the fund has changed during the interim time period between reviews.

4. Close-out of Campanile Funds (C-ledgers)

SR grant specialists will periodically notify project directors of C ledger funds that have low balances and/or have been inactive for a period of time. Project directors and fund managers should work with their grant specialists to close or consolidate these funds with existing gift funds if appropriate.

5. Close-out of Research Support Funds (2-ledgers)

SR grant specialists will periodically notify project directors of 2 ledger funds that have low balances and/or have been inactive for a period of time. Project directors should work with their grant specialists to close or consolidate these funds with existing RSF funds if appropriate.

Please note: Discretionary funds (including most 9-ledger self-support activities), all gift funds, and research support funds are not transferable to other organizations or individuals. In the event a project director retires, transfers to another university or otherwise leaves SDSU or SDSU Research Foundation, research support funds will revert to SDSURF. All other existing funds under the project director's name will be reviewed on a case-by-case basis to determine reallocation. If equipment was purchased, the SR grant specialist will notify the inventory coordinator, who will provide a recent report of equipment tracked in the inventory system. The SR grant specialist will work with the PI to validate the report and will complete a Property Inventory Modification Request form to indicate the desired disposition of equipment at fund closeout.

L. Risk Management

1. Property and Casualty Insurance – (Liability Insurance)

SDSU Research Foundation purchases property and casualty insurance to protect its assets against losses or damages resulting from its business operations. One component of this insurance is a commercial general liability policy. This insurance may not provide coverage for activities which are not considered in the scope and course of employment.

a. Commercial General Liability

This policy generally should pay for damages that SDSU Research Foundation is legally obligated to pay due to negligence, which results in personal injury and/or property damage to others, subject to policy exclusions.

In the event of an accident, an investigation will be conducted by the risk management department. No admission of responsibility or commitment to pay for damages should be made by any other person.

b. Contractual Liability

Provides for payment of damages SDSU Research Foundation is legally obligated to pay as a result of an insured contract.

c. Product Liability

Provides coverage for damages SDSU Research Foundation is legally obligated to pay as a result of loss involving a product designed, manufactured, or distributed by SDSU Research Foundation. Exclusions do apply.

d. How to Submit a Claim

All incidents involving personal injury, potential injury or property damage must be reported to SDSU Research Foundation's risk management staff immediately at 619-594-4139 or riskmanagement@foundation.sdsu.edu.

2. SDSU Research Foundation Vehicle Insurance

This insurance includes auto liability and physical damage coverage. Physical damage coverage includes commercial and collision protection for SDSURF-owned, leased, or rented vehicles.

▪ Comprehensive

Comprehensive damages include theft of vehicle or damages caused by fire or water. Damage to a vehicle's windshield is also covered under comprehensive coverage.

No coverage is provided for personal effects or other property of the insured or others carried in or on the vehicle. Comprehensive coverage pays for the repair or replacement with like kind and quality for physical damage other than collision. The deductible amount of \$1,000 will be charged to the department or project.

- Collision

Collision damages include collision with another vehicle or fixed object, or vehicle overturns. Collision coverage pays for the repair or replacement with like kind and quality. The deductible amount of \$1,000 will be charged to the department or project.

- Automobile Liability

Automobile Liability is provided for all SDSU Research Foundation-owned, leased or rented vehicles used to conduct SDSURF business. This insurance program should pay for damages that SDSU Research Foundation is legally obligated to pay to third parties. Please note that insurance coverage may not be automatic when vehicles are purchased. Therefore, the risk management staff must be notified when vehicles are acquired.

- Personal Vehicle Usage

The vehicle owner must be aware that her/his personal automobile insurance will be primary in the event of an accident. SDSU Research Foundation's insurance coverage is only applicable if the claim exceeds her/his Personal Liability insurance coverage and a claim is made against the research foundation as a result of the accident. Insurance carriers normally allow the occasional use of privately owned vehicles for business trips without an increase in premium rates. If a private vehicle is regularly used on SDSU Research Foundation business, an employee should notify her/his insurance carrier.

- Rented Vehicles

Automobile insurance for rented vehicles is provided for SDSURF employees, PIs, and project staff who are employed by SDSURF and are participating in SDSURF-related business activities. When employees rent vehicles to conduct SDSURF business, they should advise the rental agency that they are renting the car to use while on SDSURF business and deny the comprehensive, collision, and general liability coverages. All three of these coverages are provided under a single SDSURF policy. If a rental agency requires proof of insurance, a Certificate of Auto Insurance outlining policy coverage is available at

www.foundation.sdsu.edu/pdf/risk_cert_of_ins_auto.pdf. Please note there is a \$1,000 deductible. SDSURF's policy does not cover damage for rentals of more than thirty (30) consecutive days or for losses reported more than forty-five days (45) from date of loss. All such uninsured losses and the deductible amount of \$1,000 will be charged to the department or project.

How to Submit a Claim

All accidents involving SDSU Research Foundation-owned or leased vehicles, and private vehicles being operated on SDSU Research Foundation business, must be reported to the risk management staff immediately at 619-594-4139 or riskmanagement@foundation.sdsu.edu. [A Vehicle Accident Report](#) along with all other documentation (estimates, police reports, etc.) should be forwarded to the risk management department.

3. Crime Insurance

Types of coverage include:

- Fidelity coverage extends to the loss of SDSU Research Foundation cash, securities, bonds and money as a result of employee dishonesty. Deductibles and exclusions do apply. Coverage may not be provided for the loss of personal property.
- Forgery and alteration insurance provides coverage for altered or forged documents.
- Money and securities coverage extends to the loss of SDSU Research Foundation cash, securities, bonds and money. Deductibles and exclusions do apply. Coverage may not be provided for the loss of personal property.
- Money Order Coverage protects against theft of money orders.
- Computer Fraud protects against financial losses resulting from computer theft.

All incidents and losses should be reported to risk management. Proof of loss and documentation supporting the amount claimed should be included.

4. Wrongful Acts

- a. Employer's Legal Liability
Covers amounts SDSU Research Foundation is legally obligated to pay for the legal defense and for damages incurred as a result of a claim against SDSU Research Foundation, staff members, managers, officers, directors, or named insureds. Coverage includes any alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty arising while acting in good faith during the performance of their assigned duties.
- b. Employment Practice Liability
Covers damages that SDSU Research Foundation is legally obligated to pay for claims arising out of wrongful termination, sexual harassment and employment discrimination.
- c. How to Submit a Claim
Any notice of a complaint of alleged wrongful acts must be reported to the human resources department at 619-594-4139.

5. Workers' Compensation/Special Services

Under Cal/OSHA regulations, all employers are required to log designated work-related injuries and illnesses. The Human Resources department compiles and maintains this log based on information from injury reports submitted. Any requests for viewing this log by Cal/OSHA representatives should be directed to the human resources department.

6. Loss Prevention

Risk management attempts to identify loss potential and coordinates preventive measures to correct areas of concern. Expert assistance such as external consultants, work-site assessments and safety engineers may be utilized. In

addition, risk management works with environmental health and safety, facilities management, and the human resources department, to provide education, training and assessment of risk areas. Employees, interns, volunteers and visitors are encouraged to bring dangerous situations to the attention of one of these departments.

7. Premium Allocations and Deductibles

Premium allocations/deductibles for various types of insurance coverage or claims will be allocated to SDSU Research Foundation departments or projects. The allocation method is based upon the insurance exposures within each department. The deductible for theft, loss or damage to property is \$5,000.

8. Certificates of Insurance/Additional Insured

SDSU Research Foundation is involved in numerous activities and business ventures with various contractors, subcontractors and business entities. Therefore, it is necessary to ensure that SDSU Research Foundation is adequately protected against losses or claims arising out of the activities of contractors, subrecipients and business entities. If SDSU Research Foundation determines that an activity warrants additional protection against certain risks, it may request that the organization it is conducting business with provide a certificate of insurance (Accord form). This certificate should have an attached "additional insured endorsement" stipulating that CSU, SDSU and San Diego State University Research Foundation are additional insured under the contractor, subrecipient or vendor insurance policy. The certificate is to be sent to the department seeking the services of the contractor or supplier and to the risk management department. All certificates of insurance and additional insured requests should be submitted to SDSU Research Foundation's risk management staff for processing.

If an organization requests a certificate of insurance from SDSURF, that request must be submitted to risk management. The information required for completing a [certificate of insurance](#) request follows:

- Requesting person's name, department, telephone/fax number and e-mail address;
- Certificate holder, to whom the certificate is to be issued;
- Certificate holder or contact person's name, address, and phone/fax number and e-address;
- A description of the activity for which the certificate is needed, including purpose, location and time period;
- Items to be insured if property coverage is requested;
- The type and limits of insurance for which proof is required;
- Time frame of when a certificate is needed and who should receive copies;
- Whether or not the original is sent back to the requester (i.e., to be included with contract).

Note: Contracts or lease pages outlining requirements are typically helpful and in some instances, may be required for additional insured requests.

9. Vendor / Subcontractor Minimum Insurance Requirements

a. Commercial General Liability

Each subcontractor shall supply a *Certificate of Insurance* showing evidence of commercial general liability coverage with a limit of at least \$1,000,000 combined single limit per occurrence, or higher as required by SDSU Research Foundation. The certificate must have an endorsement attached which (1) names SDSURF as an additional insured; (2) provides that such insurance is primary and any other insurance of SDSURF is excess; and (3) waives any subrogation rights or claims against SDSURF. The additional insured endorsement must be attached to the certificate. Endorsements that limit or exclude coverage are to be attached to the certificate.

b. Umbrella or Excess Liability

Each subcontractor shall supply a *Certificate of Insurance* showing evidence of umbrella or excess liability coverage in an amount not less than \$1,000,000 combined single limit per occurrence. Endorsements that limit or exclude coverage are to be attached to the certificate.

c. Workers' Compensation and Employer's Liability

Each subcontractor shall supply a *Certificate of Insurance* providing evidence of workers' compensation and employer's liability coverage. The employers' liability limits shall be at least \$1,000,000 for each occurrence. A waiver of subrogation shall be attached in favor of SDSURF.

d. Automobile Liability

Each subcontractor shall supply a *Certificate of Insurance* showing commercial automobile liability coverage in an amount no less than \$1,000,000 combined single limit per accident for all owned, non-owned, and hired vehicles.

e. Professional Liability

If the subcontractor is a licensed architect, engineer, designer, or other "professional," a *Certificate of Insurance* shall be supplied showing errors and omissions coverage in an amount not less than \$1,000,000 per occurrence. The certificate must have an endorsement attached which (1) names SDSURF as an additional insured; (2) provides that such insurance is primary and any other insurance of SDSURF in excess and (3) waiving any subrogation claims against SDSURF. The additional insured endorsement must be attached to the certificate.

f. Property Insurance

Tenants will procure and maintain property insurance coverage for:

- All furniture, fixtures, office equipment, merchandise and all other personal property at or about the premises.
- Leasehold improvements made by the tenant.
- All improvements, betterments, alterations and additions to the premises.

Tenant property insurance must be written on a policy providing Special Form or equivalent.

g. Additional Requirements

The insurer providing coverage for commercial general liability, umbrella or excess liability, workers' compensation, automobile liability and professional liability shall have a minimum A.M. Best's rating of A VII and be admitted in California. This can be amended by separate agreement by SDSURF. All certificates are to be sent to:

- a. Original to the SDSURF department that contracts with the subcontractor or vendor.
- b. Copy to Risk Management, San Diego State University Research Foundation, 5250 Campanile Drive, San Diego, CA 92182-1945.

10. Ground Transportation Vendor / Subcontractor Minimum Insurance Requirements

1. Commercial General Liability

Each subcontractor providing transportation services shall supply a *Certificate of Insurance* showing evidence of commercial general liability coverage with a limit of at least \$2,000,000 combined single limit per occurrence, or higher as required by SDSURF.

The above limit can be satisfied through a combination of primary and excess policies.

2. Workers' Compensation and Employer's Liability

Each subcontractor shall supply a *Certificate of Insurance* providing evidence of workers' compensation and employer's liability coverage. The employers' liability limits shall be at least \$1,000,000 for each occurrence. A waiver of subrogation shall be attached in favor of SDSURF.

The above limit can be satisfied through a combination of primary and excess policies.

3. Automobile Liability

Each subcontractor providing transportation services shall supply a *Certificate of Insurance* showing commercial automobile liability coverage in an amount no less than \$2,000,000 combined single limit per accident for all owned, non-owned, and hired vehicles.

The above limit can be satisfied through a combination of primary and excess policies.

Certificates must have an endorsement attached which (1) names CSU, SDSU and SDSURF as an additional insured; (2) provides that such insurance is primary and any other insurance of SDSURF is excess; and (3) waiving any subrogation rights or claims against SDSURF. The additional insured endorsement must be attached to the certificate. Endorsements that limit or exclude coverage should also be attached to the certificate.

4. Foreign Territories

If the vendor/subcontractor is providing transportation services or tours in a foreign territory, the certificate of insurance must have an endorsement

attached verifying that the vendor/subcontractor's insurance includes the foreign country in its Coverage Territory.

All certificates must be received and approved by SDSURF prior to any work, event, or activity that exposes SDSURF to legal liability.

SDSU Research Foundation retains the right to evaluate any business agreement to insure compliance with this requirement. SDSURF also retains the right to make exceptions where needed.

11. Leased, Rented, Loaned or Borrowed Equipment and Vehicles

- a. **Leased/Rented Equipment and Vehicles:**
SDSU Research Foundation may be required to provide leasing/rental agencies with a certificate of insurance. In such cases, the Research Foundation buyer will request a certificate of insurance. The buyer will provide risk management with a detailed description of equipment (to include manufacturer, model, color, etc.), value and the insurance requirements as defined in the company terms and conditions.
- b. **Loaned/Borrowed Equipment and Vehicles:**
SDSU Research Foundation may be required to provide a company/individual with a certificate of insurance. In such cases, the department/project will request a certificate of insurance from the SDSURF risk management staff. The department/project will provide risk management with a detailed description of equipment (to include manufacturer, model, color etc.), proof of ownership, age/year originally purchased, purchase price, current value, and if possible, a photo and condition report.

12. Foreign Travel

Insurance coverage and assistance is provided for PIs or project staff employed by SDSU Research Foundation when they are participating in SDSURF-related activities in a foreign country. SDSURF's risk management staff must be notified at least 30 days in advance whenever foreign travel is anticipated. In order for the California State University Risk Management Authority (CSURMA) Foreign Travel Liability Insurance Program to cover travel to countries deemed war risks or high hazardous, SDSURF may be required to obtain written approval from SDSU's president, CSU's Chancellor and CSURMA's insurance company prior to travel to those areas.

13. Property Control

SDSU Research Foundation defines inventorial property as a tangible, non-consumable fixed asset having a useful life of one or more years and a minimum unit acquisition cost of \$5,000. All computer property (servers, desktop/workstation CPUs, laptops, tablets, notebooks, etc.) is inventorial property regardless of the cost. SDSU Research Foundation-purchased property can only be used for authorized project purposes.

After payment has been made for the property, a member of SDSU Research Foundation's facilities management staff contacts the PI to arrange for the

property to be tagged with a numerical SDSU Research Foundation identification sticker. This control number, along with a description of the item, the serial number, and location are entered into a computerized property inventory system maintained by SDSU Research Foundation finance and accounting department.

The finance and accounting department conducts biennial physical equipment inventories in compliance with Federal regulations. The inventory coordinator sends an email directly to the equipment custodian on record (usually the PI). The email contains an attached report showing a listing of all equipment records assigned to them and directions on how to conduct a physical inventory. The PI, or designee, verifies that the equipment items listed on the report are correct or makes a notation of any discrepancies. The inventory report is then returned to the inventory coordinator and the results are reconciled to the inventory system. In addition, spot physical inventory audits are conducted on a periodic, informal basis by SDSU Research Foundation staff.

The PI is responsible for establishing property maintenance procedures based on manuals and instructions furnished by manufacturers. In the absence of such instructions, the PI should establish a maintenance program based on experience and judgment. If required, assistance in developing such a program may be obtained from SDSU Research Foundation's facilities management department.

The finance and accounting department must be notified using the *Property Inventory Modification Request* form whenever there are changes in property such as: location, damage, theft (police report must be attached), loss, fabrication, loan, or receipt of government-furnished property. This form is also used to request transfer to the university or disposal by SDSU Research Foundation.

All computer property must be managed in accordance with the SDSU Information Security Plan, including secure disposal requirements outlined in Section 3.9.8. If computer property is lost, stolen or missing, a completed Lost Computer Inventory form must be submitted to the SDSURF inventory coordinator, the SDSU Information Security Office and SDSU Public Safety.

Temporary relocation of property off-campus, including to an employee's home, for SDSU Research Foundation business and/or academic activity should be reported to the inventory coordinator using the Off Campus Use of Equipment Agreement form. This authorization, and a statement that the property is to be used for SDSU Research Foundation business, should be forwarded to finance and accounting. Without this authorization, the employee could be held responsible for any loss incurred while the property is in his or her care.

Finance and accounting will obtain the approval of the SR grant specialist and the senior accountant (for individual items with a net book value greater than or equal to \$5,000 on an active federal grant or contract, or for all sponsored owned property) and forward the request to facilities management for pickup.

III. PURCHASING

The function of the purchasing department is to assist, organize and administer the procurement of equipment, materials, supplies and services for all projects and departments of SDSU Research Foundation in accordance with responsibility and authority delegated by SDSU Research Foundation's chief financial officer. To ensure that all purchasing activity is in compliance with federal, state, and local government laws, rules, and regulations, a Manual of Accounting Policies and Procedures has been developed. The chief financial officer has approved this manual, and copies have been distributed to persons responsible for documenting expenditures of SDSU Research Foundation funds.

The Office of Management and Budget (OMB) authorized an additional grace period to non-federal entities for the implementation of the procurement standards in the OMB Uniform Guidance (2 CFR 200.317 through 200.326).

In accordance with this grace period, SDSU Research Foundation has elected to delay implementation of these Procurement Standards until July 1, 2018. During this time, we will continue to comply with OMB Circular A-110 for all Federally Sponsored Funds. SDSU Research Foundation's micro-purchase threshold will remain at \$10,000 as authorized by the National Defense Authorization Act (NDAA).

A. Conflict of Interest

PIs, project staff, buyers, and other SDSU and/or SDSU Research Foundation employees have a primary responsibility to avoid conflicts of interest. A conflict of interest exists if certain outside business or other interest may adversely affect motivation or performance. The test criteria for determining a conflict of interest includes not only whether an individual is actually improperly influenced but also whether the situation lends itself to improper influence. Even with a conscientious person, a conflicting interest may unconsciously influence, and the mere existence of that interest may cause the propriety of acts to be questioned.

Purchases shall not be made from companies where PIs, project staff, buyers or other SDSU and/or SDSU Research Foundation employees have an economic interest. Such purchases may have at least the appearance of wrongdoing and should therefore be avoided. SDSU Research Foundation's purchasing staff may make random checks of company ownership to ensure integrity is maintained in all purchasing practices.

Buyers will recertify compliance annually at time of performance evaluation.

B. Employee/Vendor Relationship Policy

Purchasing goods or services from near relatives of SDSURF employees is generally allowable if and only if the employee has not participated in any way in the selection, review, and payment of her/his near relative. This includes all aspects of the bidding process, analysis and award of the contract, review of work progress, signature approval for payments, determination of independent contractor status, etc.

Near relative is defined as: husband, wife, domestic partner, mother, father, daughter, son, sister, brother, and step-relatives and in-laws in the same relationships to SDSURF employee.

C. Supplier Diversity Program

The program promotes business relationships and contract opportunities for small, local and diverse businesses wishing to provide goods and services to SDSURF departments and projects.

The purchasing staff will:

1. Educate small and minority business suppliers on how to foster relationships and provide goods and services to SDSURF departments and projects
2. Provide small and minority business resources to departments; works with them to consider and purchase from small/minority businesses to support their operational and research needs
3. Assist campus project teams, which have been awarded federally funded research contracts and grants, to develop small business plans which enable them to achieve specific federal small business utilization goals as directed under FAR Part 19 and 40 CFR
4. Collaborate with other CSU campuses and small business development programs to promote small and minority business interests at SDSURF.

For more information, please contact the Small Business Liaison Officer, Denise Carroll, at dcarroll@foundation.sdsu.edu or 619-594-6891.

D. Small Business Subcontracting Program

As a recipient of research dollars from state and federal funding agencies, SDSU Research Foundation is responsible for compliance with the terms and conditions of the award. All state and federal agencies are required to comply with the requirements established by the Small Business Administration (SBA). These same requirements must flow down and become part of the proposal requirement and any subsequent award. The PI, project staff, SR Development, and purchasing department must all be committed to achieving the requirements as set forth in the proposal and award documents. The goals apply to subcontracted dollars only, i.e. product and/or services purchased from businesses. Consulting dollars spent with individuals are not included.

The Small Business Subcontracting Program section of Federal Acquisition Regulation (FAR) was created by the Small Business Act of 1999 and mandates:

- For contracts of more than \$650,000 (or \$1,500,000 for construction of a public facility), large prime contractors and subcontractors have to submit subcontracting plans containing specific percentage goals for different types of small businesses
- Subcontracting plans must contain a description of the methods and efforts used to assure that small business enterprises have an equitable opportunity to compete for subcontracts

Subcontracting plans must be submitted by contractors for review prior to the award of any contract. Failure to comply in good faith with its approved plan may subject the contractor to liquidated damages or termination for default. This requirement does not apply to small businesses, contracts under the prescribed dollar amounts, prime contracts not offering subcontracting possibilities, or contracts to be performed entirely outside the United States.

There are a number of codes, laws and regulations that provide lengthy explanations as to why the requirements are imposed on awardees of state and federal funds. Some of the more common ones include but are not limited to Public Contract Code Section 10111, 10115 et seq.; CCR Title 5 Section 43870 et seq., Military and Veterans Code, Sections 999.2, 999.5, 999.7, 999.11 and 999.12, Government Code Section 14838.5, Federal Law 95-07, Federal Acquisition Regulation and Office of Management and Budget.

1. Business Categories

In most cases, the award will define the minimum goal requirements. When it is not specified, SDSU Research Foundation is required to meet an overall standard. Targets as defined by the SBA are as follows:

a. Statutory Goals Established by Federal Executive Agencies

The policy of the United States, as stated in the Small Business Act 15g (1), is that each agency shall have an annual goal that represents:

- a. 23% of prime contracts for small businesses
- b. 5% of prime and subcontracts for women-owned small businesses
- c. 1% of prime contracts for HUBZone
- d. 3% of prime and subcontracts for service-disabled veteran-owned (small businesses.)

b. Individual Goal Categories

Each year, SDSU Research Foundation provides the SBA with estimates of the total dollar amount of all prime contracts to be awarded during the year and subcontracts to be awarded by all of the agency's "reporting prime contractors." Each agency must report its goals, expressed both in numbers, dollars, and as a percentage of the total amount to be awarded, for each of the following categories:

- a. Prime contract awards to be made to small businesses
- b. Prime contract awards to be made under the authority of Section 8(a) of the Small Business Act
- c. Prime contract awards to be made to small businesses owned and controlled by socially and economically disadvantaged individuals other than 8(a)
- d. Prime contract awards to be made to small businesses owned and controlled by women
- e. Prime contract awards to be made to HUBZones
- f. Prime contract awards to be made to small businesses owned and controlled by service-disabled veterans
- g. Subcontracts to be awarded by prime contractors to small businesses
- h. Subcontracts to be awarded by prime contractors to small businesses owned and controlled by socially and economically disadvantaged individuals
- i. Subcontracts to be awarded by prime contractors to small businesses owned and controlled by women
- j. Subcontract awards to be HUBZones
- k. Subcontract awards to be made to small businesses owned and controlled by service-disabled veterans

SBA works with the Federal Acquisition Regulation (FAR) Council to develop FAR guidance in order to implement the service-disabled veteran goal. The FAR must be changed so that these firms can represent their status. In order for a business to qualify and be certified in a particular category, it must meet specific criteria as defined in the web site locations listed below:

- l. Small Business Administration: www.sba.gov/
- m. Department of Veterans Affairs: <http://www.va.gov/OSDBU/index.asp>
- n. California State University: <http://www.calstate.edu/icsuam/sections/5000>
- o. SBA HUBZone Program: www.sba.gov/
- p. Department of Education: <http://www.ed.gov/about/offices/list/ocr/edliteminorityinst-list-tab.html>

A small business may self-certify provided they meet the criteria as defined in the SBA Table of Standards. The table may be viewed at the following site:

<http://www.sba.gov/content/table-small-business-size-standards>

WBE, DBE, DVBE and VBE must be certified by the SBA and present a current certificate.

HBCU must be listed on the Department of Education web site.

A HUBZone business must be located within a specific geographic grid area. This can be determined by entering the physical address of the business in the SBA HUBZone Program site.

2. Responsibilities of the Small Business Liaison Officer

SDSU Research Foundation's Purchasing Manager is also the Small Business Liaison Officer (SBLO). The SBLO is the point of contact for small businesses and projects and will:

- a. Make information regarding pending solicitations available to, and consider offers from, small business suppliers capable of meeting SDSU Research Foundation business needs
- b. Ensure prompt payment to small businesses
- c. Identify and implement innovative acquisition processes to further small business participation
- d. Give special consideration to small businesses and micro businesses by reducing experience requirements and level inventory normally required
- e. Maintain a directory of potential suppliers
- f. Provide one-on-one instruction as needed to support the program and goals
- g. Monitor project goals to insure compliance and redirect goals as may be needed to deal with programmatic issues
- h. Review reports prior to submission to the funding agencies
- i. Assist the PI with subcontract plan submission on all awards exceeding \$650,000
- j. In accordance with the requirement of the award, request submission of subcontracting plans from subcontractors with an anticipated award in excess of \$650,000.

3. Subcontracting Plans

a. The Subcontracting Plan

Federal Acquisition Regulation (52.219-9) requires a Subcontracting Plan for Small and Small Disadvantaged Businesses for each contract \$650,000 and over. Prime contractors, such as SDSU Research Foundation, must agree to purchase a percentage of the supplies and services required for the performance of the contract

from small and disadvantaged businesses. Some federal agencies set specific goals. Most rely on the prime contractor to make a "good faith effort." The documentation of this effort is outlined in the DBE/WBE/VBE Good Faith Effort– Six Steps Documentation form available at: <http://www.foundation.sdsu.edu/forms/index.html#purchasing>.

The Subcontracting Plan specifies:

- Which items/commodities will be purchased from small and disadvantaged businesses
- The total dollars to be spent with small and disadvantaged businesses in each category
- The percentage of total dollars budgeted for supplies and services that these purchases represent.

The subcontracting plan is submitted to SRD by the SBLO for submission along with the research proposal and budget. Once the award has been made, the Subcontracting Plan becomes part of the contract and the PI is expected to meet the goals set in the Plan.

b. Preparing a Subcontracting Plan

SRD notifies the PI and SBLO when a plan is required and whether or not the contracting agency has set specific goals. In either case, the plan must set separate goals for small and small disadvantaged businesses. The SBLO will assist the PI with the identification of vendors that meet specific disadvantaged, women-owned, small business or other requirements. The PI is expected to make every effort to meet these goals. It is imperative to keep these goals in mind as funds are expended as it is impossible to meet the goals at the end of a project when the money has already been spent. Once the SBLO identifies subcontracting opportunities and the dollars and percentage goals are calculated, the information is entered on a Subcontracting Plan form. Some contracting agencies provide these forms. The National Institutes of Health (NIH), for example, will not accept a subcontracting plan that is not on an NIH form. However, most agencies are flexible as long as the required information is included. The completed Subcontracting Plan is signed by the SBLO and sent to SRD to forward to the contracting agency for approval.

c. Subcontracting Plan Reporting

SDSU Research Foundation is required to submit semi-annual and annual reports charting the progress in meeting subcontracting goals. Subcontract Reporting for Individual Contracts – SF 294 and/or Summary Subcontract Report - SF 295 are a contract requirement. Failure to file an SF-294 or SF- 295 or to meet the utilization goals as defined in the Plan could be considered evidence of a lack of a "good faith effort" to comply with contract requirements and could result in liquidated damages or other penalties, including material breach of contract and termination for default.

E. EPA Grants: Use of Small and Minority Businesses

EPA Cooperative Agreements incorporate fair share goals for purchasing from disadvantaged businesses, including small businesses and women-owned and minority-owned business enterprises (40 CFR Part 30, 31, 33 and 40). These goals are described as percentages in the agreement signed by SDSURF and EPA. EPA grants do not require the development of a Small Business Subcontracting Plan.

Please note:

1. The Principal Investigator (PI) is responsible for making progress toward and tracking small and minority business utilization.
2. PIs and their supporting staff can search for appropriate vendors by using the Small Business Utilization Directory (http://www.foundation.sdsu.edu/purchasing/small_business_directory.html) or consult with an SDSURF buyer.

F. Purchasing Requirements

Please note that the purchase requisition process is one of three acceptable methods for the procurement of goods and services. For information about the other acceptable methods, refer to Section [IV.A.1](#) for purchases using personal funds or credit card and Section [IV.D](#) for purchases using the SDSU Research Foundation Procurement Card. Under no circumstances should suppliers be advised to proceed without using one of the above-mentioned acceptable procurement methods.

The purchase requisition process is initiated by completing an SDSU Research Foundation *Purchase Requisition* form. Forms may be accessed on SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#purchasing>. This form must be signed by the PI (or designee) and forwarded to the SR grant specialist for approval. Upon approval, the SR grant specialist forwards the document to the finance and accounting department transaction team for entry into the Banner finance system. The original copy of the requisition is then forwarded to the purchasing department. The originator is encouraged to suggest vendors to aid the buyer in processing the requisition. However, if this is not possible, the buyer will work with the project to determine an appropriate vendor. **Do not advise suppliers to proceed until they have received a fully executed SDSU Research Foundation *Purchase Order*.** SDSU Research Foundation's risk management staff must be notified whenever equipment is borrowed, loaned, rented, leased or purchased for use outside the country so that the equipment can be scheduled to insure for losses due to damage or theft. See Risk Management [II.L](#).

1. Purchases of \$4,999 and under

To secure product(s) and/or services the requester must complete an SDSU Research Foundation *Purchase Requisition* form prior purchase. Details such as

make, model, part number, ship to location, delivery date and repairs should be included. It is also critical to indicate the specific date that the products or services are required; this date is different from the date you want the order placed. The required delivery date assists the buyer in prioritizing assignments and ensures that your needs are met. The requisition must be signed by the PI (or designee) and forwarded to the SR grant specialist for approval. Upon receipt of the completed and approved requisition, a buyer will process the request. The buyer will contact the requester if additional information is required or if there are any issues that impact the buyer's ability to proceed. When all is clarified and confirmed, the buyer will place the order with the supplier and send a copy of the *Purchase Order* to the requester.

2. Purchases of \$5,000-\$9,999

It is incumbent upon the purchasing department to insure that prices are fair and reasonable and to ensure full compliance with federal, state and local laws, rules and regulations. SDSU Research Foundation requires that purchases between \$5,000 and \$9,999 be competitively bid. The options to document price reasonableness can be done by the requestor or the buyer. To accomplish this, requesters are required to:

- Complete a *Purchase Requisition* form itemizing the products (include make, model, color, size, quantity, etc.) and/or services to be rendered (in the case of repairs include make, model, serial number, and the nature of the problem)
- Include requester information such as name, department/project name, telephone and fax number, e-mail address, location, etc.
- Obtain appropriate signature authorization and forward to the SR grant specialist
- If the requester elects to obtain the required bids, attach a minimum of two (2) informal bids such as a faxed price quote and/or copy of published price sheet to the *Purchase Requisition* form. If not attached the buyer will obtain the required bids.
- If the requester elects to obtain bids, she/he must also complete an *Abstract of Quotations* form and provide a memorandum indicating how the selected supplier was chosen. If the requester opts to go with other than the low bidder, an explanation should be included. If only one bid was received, the requester must substantiate the reason(s) why. Explanations must be specific and include technical information that can be substantiated.

3. Purchases of \$10,000 and Over

Purchases of \$10,000 and over require a more formal bidding process. A written request in the form of a request for quote (RFQ) or invitation for bid (IFB) is issued, detailing the products or services to be procured. It is important to work

with purchasing staff to ensure that the document includes a complete and detailed description of what is required and to identify qualified potential providers. To accomplish this, requesters are required to:

- Complete a Purchase Requisition form itemizing the products (include make, model, color, size, quantity, etc.) and/or services to be rendered (in the case of repairs include make, model, serial number, and the nature of the problem)
- Provide requester information such as name, department/project name, telephone and fax number, e-mail address, location, etc.
- Obtain appropriate signature authorization and forward to the SR grant specialist
- With the assistance of a buyer, prepare a formal RFQ or IFB. This is a joint effort between the requester and a buyer from SDSU Research Foundation's purchasing department. This document defines in detail the products and/or services to be rendered and includes applicable certifications/representations, and terms and conditions. The bid document must be sent to a minimum of two (2) responsive and responsible bidders.
- Both the buyer and requester must review all bids and select the best possible source for the products/services to be purchased prior to issuance of a Purchase Order.
- Complete an [Abstract of Quotations form](#) (Word Format 398KB)* or provide a memorandum indicating how the selected supplier was chosen. If the requester and buyer opt to go with other than the low bidder, an explanation should be included. If only one bid was received, the requester and buyer must substantiate the reason(s) why. Explanations must be specific and include technical information that can be substantiated.

4. Sole Source/Brand Name Justification

As a recipient of funding from a variety of federal/state agencies and private donations, SDSU Research Foundation must ensure price fairness and reasonableness by documenting the due diligence process. This can only be appropriately documented when the competitive bid process is used. In the absence of the bid process, the Sole Source/Brand Name Justification form must be completed and signed by the PI or other designee. Forms may be accessed on SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#purchasing>.

5. Change Order

After a *Purchase Order* has been issued to a vendor, adjustments may be made to the order upon notification of the cognizant buyer. Changes that do not affect the dollar commitments (i.e., delivery, account codes, closures, etc.) may be authorized

by memorandum and/or e-mail to sdsurfpurch@foundation.sdsu.edu. Any change requesting upward adjustment in the pricing must be processed on a new *Purchase Requisition* form with the appropriate authorized signatures. Do not forget to make reference to the original *Purchase Order* number on the memorandum, e-mail or new requisition form. *Change Orders* are called into the vendor and written copies of the *Change Order* are mailed or faxed by the buyer to ensure that the required change has been transmitted and accepted by the vendor.

6. Open Purchase Order

The use of Open Purchase Orders is discouraged. Purchases of this type can usually be better accomplished by using a Procurement Card. However, when a vendor, either on or off campus, is used for low value purchases over a specified period of time, the end-user may generate a *Purchase Requisition* and request the buyer establish an *Open Purchase Order*. This allows an individual and/or project to purchase specified items up to the authorized funding limit on the *Purchase Requisition*. Modifications to the funding level are requested on a *Purchase Requisition* (please make reference to the original *Purchase Order* number), signed by the PI or designee, and forwarded to the SR grant specialist for approval. **Capital equipment may not be purchased against an Open Purchase Order.**

7. Emergency Purchase

If emergency needs cannot be met through the regular purchasing process, one of the following procedures may be used:

a. Critical/Rush Order

Critical and/or rush *Purchase Requisitions* (fully completed and approved by the SR grant specialist) may be e-mailed or hand-carried to the purchasing department for order processing and placement. Buyers review all incoming requisitions and determine the appropriate action necessary to complete the processing of the request. Critical/rush orders receive high priority, but due to the volume of requisitions, including the large number of "Critical" and "Rush" orders normally received each workday, SDSU Research Foundation cannot guarantee the order will be called in or faxed on the day it arrives in the purchasing department.

b. Will-Call/Pick-Up

Upon receipt of a properly authorized requisition, buyers may arrange for pick-up of merchandise by the requisitioning department's personnel. Special conditions like "will-call" must be noted on the *Purchase Requisition* form and/or verbally requested by the end-user. Every effort will be made to meet the requester's requirements under these conditions, but under no circumstances will the purchasing department take responsibility for receipt of the items purchased.

c. Disbursement Request

Emergency expenditures by project personnel may be reimbursed for reasonable expenses (not to exceed \$1,000 total) once the requester completes a *Disbursement Request* form identifying the correct expense codes, obtains the required signatures, and attaches the original itemized receipt(s).

Accounts payable honors the reimbursement request within the normal processing cycle for non-emergency check requests. Every effort to avoid purchasing goods and/or services with personal funds should be taken, as reimbursement is contingent upon the allowability and availability of funds from the project/ department incurring the expense. Please note that reimbursement requests for business use of personal credit cards are made directly to the cardholder and **not** the credit card company.

8. Used, Refurbished, Reconditioned, and Remanufactured Equipment

Projects and departments may find opportunities to purchase used, refurbished, reconditioned, and remanufactured equipment at a substantial cost savings in comparison to other alternatives for acquisition of similar equipment. It is advised that cost savings shouldn't be the sole factor used to justify a purchase. If a requester identifies a reasonable price, she/he should contact the purchasing department for verification. A buyer will contact the seller to validate such things as serviceability, warranty, terms and conditions of sale, and will perform a cost analysis to validate price vs. equipment age and current model pricing. This will help to determine if a good deal is really as good as it appears to be.

9. Leased, Rented, Loaned or Borrowed Equipment and Vehicles

SDSU Research Foundation may be required to provide proof of insurance when leasing, renting, or borrowing equipment. Refer to Section [II.L.9](#) for details.

10. Campus Services (Purchase Order Required)

All campus service providers require a minimum of two (2) working days' notice prior to service need date. Requisitions must be completed, approved and submitted to purchasing five (5) working days prior to your need date to insure a purchase order can be processed and submitted to the service provider.

- **Associated Students/The Daily Aztec**

On occasion, projects may use the on-campus news media for recruiting, advertising, or a similar function. A fully completed and approved *Purchase Requisition* form, copy of the ad, and the run date must be submitted to SDSU Research Foundation's purchasing department prior to publication.

- **Associated Students/Room Rentals**

The Aztec Student Union has meeting rooms with audio-visual capabilities to accommodate groups from 12 to 12,000. Reservations are made through the Aztec Student Union office. A completed and approved *Purchase Requisition* form and a reservation ID number must be submitted to SDSU Research Foundation's purchasing department prior to the date of the scheduled event. View services at <http://www.as.sdsu.edu/>.

- **Aztec Shops, Ltd.**

Supplies and instructional materials may be purchased from Aztec Shops through the use of an AZTECREDIT card. The card may be obtained by submitting an AZTECREDIT application form and a fully completed and approved *Purchase Requisition* to SDSU Research Foundation's purchasing department. All lost or stolen cards must be immediately reported to SDSU Research Foundation's purchasing department at (619) 594-6891. In lieu of the AZTECREDIT card, a one-time purchase for a specific item(s) may be requested by completing a *Purchase Requisition* form and forwarding it to the SR grant specialist for approval and further processing. Telephone orders are not permitted by Aztec Shops. View services at <http://www.aztecshops.com/>.

- **Instructional Technology Services (ITS)**

ITS provides support to faculty and project staff in the areas of design, selection, production, and distribution of instructional media. They are also able to assist in the areas of instructional design, visual design, course management, technology integration, student assessment, and course evaluation. A fully completed and approved *Purchase Requisition* and appropriate ITS form(s) must be forwarded to the purchasing department for processing. View services at <http://www.rohan.sdsu.edu/dept/its/>.

- **Aztec Shops Catering**

After confirming reservations and other "special arrangements" with food services personnel, a fully completed and approved *Purchase Requisition* and a copy of the event confirmation must be submitted to the purchasing department for processing prior to the date of the scheduled event. Aztec Shops Catering requires the purchase order at least two (2) business days prior to the event; failure to comply could result in the services being cancelled. View services at <http://www.eatatsdsu.com/cater.aspx>.

- **Faculty Staff Club**

The Faculty Staff Club offers the use of its dining facilities with a credit card. The card may be obtained by submitting a *Faculty Staff Club Credit Card Application* form and a fully completed and approved *Purchase Requisition* form to the purchasing department for processing.

- **Plant Operations**

Materials or services such as the assistance of carpenters, plumbers, painters, and related draftspersons may be provided to project personnel. A *University Plant*

Operations Work Order form, a cost quotation, and a fully completed and approved *Purchase Requisition* must be submitted to the purchasing department for processing. Both an SDSU Research Foundation SR grant specialist and SDSU Research Foundation's facilities management department must approve the requisition before the requested work can begin. View services at <http://bfa.sdsu.edu/plant>.

- **ReproGraphics**

A variety of word processing services may be obtained from ReproGraphics. A fully completed and approved Purchase Requisition form and ReproGraphics Work Order form must be submitted to the purchasing department for processing. View services at <http://bfa.sdsu.edu/~busserv/Reprographics.html>.

- **Letterhead and Envelopes**

Projects may obtain bids from any print vendor for project letterhead and envelopes within the scope of the project guidelines and budget. SDSU Reprographic Services <http://bfa.sdsu.edu/~busserv/Reprographics.html> is located on campus and is often a convenient choice. Vendor pricing and reputation should be carefully considered when making a decision. Purchase orders are required for all print orders.

11. Campus Services (No Purchase Order Required)

a. Mail Services

In an effort to minimize postage errors that result in inaccurate billings, SDSU Mail Services requires that all outgoing U.S. mail contain a bar-coded account number for charge-back purposes.

b. Barcodes

SDSU requires all outgoing USPS mail and UPS packages to contain a barcoded number for chargeback purposes. Three options are offered below to help meet the barcode usage requirement:

1. Preprinted Envelopes - when ordering envelopes, you can request that barcodes be printed on the back of envelopes.
2. Preprinted Bar-coded Labels - SDSU Reprographics can provide barcode labels. You may contact Reprographics at 594-5260 if you have questions or wish to place an order. Purchase orders are required.
3. Software Purchase - departments can purchase barcode software. To obtain information about vendors who sell this software, call 594-1552 or visit SNX's website at <http://www.snx.com/>. A purchase order is required for this expenditure.

The barcode number must appear as a barcode on the backside of envelopes and other mail pieces. It is not necessary to affix a barcode label on each individual piece of mail when sending out multiple pieces of mail that are bundled together and charged to the same account. A barcode label affixed to the first mail piece for each separate bundle will suffice. The barcode number needed for using Mail Services consists of your six-digit fund code and five-digit organization code. Please check with your SR grant specialist to confirm this 11-digit sequence. Reprographics is available to pre-print envelopes and/or create labels with your 11-digit barcode number. Mail Services information may be accessed at: <http://bfa.sdsu.edu/~busserv/MailServices.html>.

Do not make copies of barcodes! Barcodes must be very sharp and precise. When copied on a standard office copier, barcode quality may be compromised so that barcode scanners cannot effectively read the barcode. Mail with non-scannable barcodes will be returned to the sender. More general bar code information can be found at: <http://bfa.sdsu.edu/busserv/Barcodes.html>.

c. Telephones

Most SDSU Research Foundation projects use the university's telephone system. The university invoices SDSU Research Foundation for installation and monthly usage charges on a single invoice. SDSU Research Foundation separates the monthly expenses by project and charges the appropriate funds on a monthly basis. To request telephone installation, a project representative contacts the telephone coordinator in SDSU Research Foundation's facilities management department. The telephone coordinator works with the project to determine exact needs, obtains approval from the SR grant specialist, and submits the *Phone/Voicemail Service Request* form on behalf of the project to the SDSU telecommunications & network services office (TNS). TNS will review the approved request and the project will be contacted should additional information be required. Basic telephone and voicemail services information may be accessed at <http://tns.sdsu.edu/>.

12. Other Outside Services Exempt from Purchase Order Process

There are certain services where a purchase order is not the appropriate method of secure services. Budgets, approvals and signed agreements are still required. The following services are exempt:

Public Utilities (electricity, gas, water, sewer and telephone (land lines)): These services shall be coordinated with Facilities Planning and Management.

State and Federal Taxes: Payments will be authorized by Financial Management.

Vehicle Registrations: Payments will be processed and authorized via Facilities, Planning and Management.

Legal Services/Attorney Fees: Due to the confidential nature of these services, authorization must be coordinated with Human Resources and Risk Management.

Accounting Firms: Audits and Financial Reports must be coordinated and approved by Finance and Accounting Management.

Insurance Coverage and Benefit-Related Expenses: Employee benefits, students, property and equipment shall be coordinated and approved by Human Resources and/or Risk Management.

Medical Fees: Due to the confidential nature of these services, authorizations must be coordinated with Human Resources and Risk Management.

Property Leases: Office space shall be coordinated via Facilities Planning and Management. Budget and funding are the responsibility of the department/project. The Director of Facilities Planning and Management signs all lease agreements.

13. Use of Personal Credit Cards

Project personnel may elect to use their personal funds or credit cards to make immediate purchases for certain items generally less than \$1,000 providing the following documentation is submitted with the request for reimbursement:

- Original itemized receipts
- Documentation as required by SDSU Research Foundation policy (i.e. supporting documentation for hosting).

Reimbursements for credit card expenses are issued directly to the cardholder only, **not** to the credit card company.

Please note that the use of personal funds is one of three acceptable methods for the procurement of goods and services. Refer to Section [III.D](#) for purchases using the purchase requisition process and Section [IV.D](#) for purchases using the SDSU Research Foundation Procurement Card. SDSU Research Foundation strongly recommends that the purchase requisition or PCard process be utilized whenever possible. Project personnel can incur personal liability when using personal funds in anticipation of a refund due to the risk that the expense may not be allowed and/or funds have been depleted.

G. Return of Materials

When materials purchased on an SDSU Research Foundation *Purchase Order* must be returned to a vendor for credit, exchange or repair, **SDSU Research Foundation's purchasing department must be notified prior to the project department personnel returning the material.** Purchasing department personnel obtain a Return

Material Authorization number (RMA) from the vendor to ensure that the project's fund is properly credited. The buyer provides instructions to the project regarding packing and scheduled pick up of materials. Requests may be e-mailed to sdsurfpurch@foundation.sdsu.edu.

H. Radiation Safety

SDSU is licensed by the State of California to use a wide range of radioactive materials and radiation-producing machines for research and instructional purposes. The authority to approve the use of radioactive materials is vested in the Radiation Safety Committee. Questions regarding the acquisition and use of radioactive materials can be addressed to the Radiation Safety Officer within the Department of Environmental Health and Safety at extension 594-6879. The Radiation Safety Office can provide information regarding approved users and materials to SDSU Research Foundation upon request. SDSU Radiation Safety Program information and forms may be accessed at <http://bfa.sdsu.edu/ehs/radiationpg.htm>.

I. Drug Enforcement Administration (DEA) Controlled Substances

All purchases of controlled substances through SDSU Research Foundation must be in accordance with SDSU Office of Environmental Health and Safety DEA controlled substance order procedures. These procedures may be accessed at <http://bfa.sdsu.edu/ehs/dea.htm> or by calling the SDSU controlled substances coordinator at (619) 594-6788. Procedures for the purchase of controlled substances with research foundation funds are as follows:

1. Projects must complete an SDSU Research Foundation *Purchase Requisition* form and an SDSU EHS *Controlled Substance Purchase Request* form. Send both completed forms to the SDSU controlled substances coordinator at mail code 1243, CSL-106.
2. The SDSU controlled substances coordinator prepares the necessary DEA forms to forward them along with the *Purchase Requisition* to the SR grant specialist.
3. SR grant specialist forwards the approved *Purchase Requisition* to the transactions team for data entry and subsequent delivery to the purchasing department.
4. Buyer completes the order and express ships all paperwork to vendor. All controlled substances are shipped to the following address:

San Diego State University
EHS c/o Student Health Services
5500 Campanile Drive
San Diego, CA 92182-4701

5. When an order is received, the SDSU controlled substances coordinator contacts the project and arranges to personally deliver the order or have it picked up from the EHS main office at CSL-106.

J. Animals

All purchases of live animals through SDSU Research Foundation must be in accordance with SDSU Office of Laboratory Animal Care (OLAC) procedures. Project staff should contact the OLAC representative at (619) 594-5421 and obtain a protocol number. This protocol number must be clearly stated on the SDSU Research Foundation *Purchase Requisition* form prior to forwarding to the SR grant specialist for approval. SDSU Research Foundation cannot process an order without this protocol number. These procedures may be accessed at:
<http://www.rohan.sdsu.edu/~gra/grad/research/animalcare.html>.

IV. ACCOUNTS PAYABLE

A. Accounts Payable

SDSU Research Foundation issues accounts payable disbursements (excluding payroll) as payment of vendor invoices, travel advances and reimbursements, miscellaneous reimbursements, stipends, independent contractors, pre-payment of a *Purchase Order*, etc.

To comply with SDSU's Information Security Plan, social security numbers should not appear on any payment request or back-up documentation. Only the information requested on the payment request form should be provided.

The following rules apply.

1. Miscellaneous Expense Reimbursement –Disbursement Request

Project personnel are reimbursed when personal funds (cash, personal check or credit card) are used for project-related purchases of generally \$1,000 or less and

- If the purchase is an allowable and reasonable expense to the project
- If sufficient funds exist in the fund and account to be charged, and
- If the purchase occurred within the project time period.

For reimbursement, an SDSU Research Foundation *Disbursement Request* form is completed and submitted with a vendor's original, itemized, dated receipt and other documentation as required by SDSU Research Foundation policy (i.e., supporting documentation for hosting). Facsimile and electronic copies may be accepted and may be considered as original. If an original itemized receipt is not provided, an explanation must be provided, in addition to other proof of payment, such as a copy of the front and back of a cancelled personal check or credit card statement. Please note that reimbursement for personal credit card expenses is issued directly to the cardholder only, **not** to the credit card company.

If a reimbursement claim requires adjustments or corrections totaling less than ten dollars, accounts payable makes the adjustment and issues the check for the correct amount. Accounts payable notifies the requester of adjustments only when the adjusted amount is equal to or greater than ten dollars. In these instances, accounts payable returns the request with an explanation of the adjustment to the requester. If able to provide additional receipts and/or explanation for the disallowed expense, the requester may resubmit the check request to the SR grant specialist, who approves and then forwards to accounts payable for processing.

The fully completed *Disbursement Request* form must be signed by the PI (or other designee) and SR grant specialist and submitted to accounts payable for processing. A copy of the *Disbursement Request* form may be accessed at <http://www.foundation.sdsu.edu/forms/index.html#ap>.

Please note that the use of personal funds is one of three acceptable methods for the procurement of goods and services. Refer to Section [III.D](#) for purchases

using the purchase requisition process, and Section [IV.D](#) for purchases using SDSU Research Foundation's Procurement Card. SDSU Research Foundation strongly recommends that the purchase requisition or PCard process be followed whenever possible. Project personnel can incur personal liability when using personal funds in anticipation of a refund due to the risk that the expense may not be allowed and/or funds may have been depleted.

SDSU Research Foundation reserves the right to reduce any expense reimbursement by the amount of any uncleared travel advance (see [Section V C](#)).

2. Vendor Invoice – Payment Authorization

For purchases initiated with a *Purchase Requisition* form, the vendor issues an invoice directly to SDSU Research Foundation's accounts payable department. Accounts payable attaches a copy of the invoice to a *Disbursement Authorization* (internally generated) form and forwards this document directly to the PI (or designee) for signature. The signature of the PI certifies that the goods or services have been satisfactorily received or rendered; the amount charged is reasonable and correct; no prior disbursement request or invoice has been submitted; and the cost is appropriately chargeable to the fund indicated. The *Disbursement Authorization* form must be returned as quickly as possible to avoid late payments and/or credit holds. The PI forwards the signed *Disbursement Authorization* form to the SR grant specialist. The SR grant specialist must also approve the document and then submit to accounts payable for payment.

Accounts payable can process vendor invoices for payment upon receipt of a shipping/packing slip signed by the PI (or designee) and the SR grant specialist. This action eliminates the need to forward the invoice to the PI for additional payment authorization. The vendor is paid after accounts payable receives an original invoice from the vendor that agrees with the packing slip (with appropriate signatures) and the originating *Purchase Order*.

3. Human Subject/Incentive Payments

SDSU Research Foundation provides human subject/incentive payments to individuals participating in research projects. The Internal Revenue Service classifies these payments as Other Income and requires that they be reported on a *1099Misc* form if the total payments to an individual are \$600 or more in a calendar year. SDSU Research Foundation must adhere to this requirement to remain in compliance with IRS regulations. However, there are two circumstances under which the project is required to track annual human subject/incentive payments and notify SDSU Research Foundation when the individual has received \$600 or more in a calendar year. These circumstances are as follows:

- Many research projects invoke federal regulations that require strict confidentiality for the human subjects involved. If the SDSU Institutional Review Board has reviewed the project and required that all human subject data be held confidential, then numbers, demographics, etc. must be used to

identify the subject. Nothing that would allow specific identification of a person or persons can be used. SDSU Research Foundation therefore, cannot directly issue a disbursement to an individual serving as a human subject without a breach of confidentiality. However, in the event that an individual is paid in excess of \$600 in a calendar year, the project is responsible for providing the name, address, completed Vendor Information Form, and total amount paid to SDSU Research Foundation's accounts payable department so that a 1099Misc form can be issued at year-end.

- Many research projects have a need to hand out very small amounts of cash to an individual at the time of her/his participation in a project. Some of these participants do not have the means to cash a check or receive a direct deposit; if the participants were not given cash, the subject population would be lost. In addition, the same population of subjects does not participate over and over again. Because of this need for cash, a very low potential tax liability, and the expense of writing and tracking hundreds of \$5 and \$10 payments, SDSU Research Foundation will not track (for 1099Misc purposes) these small human subject/incentive payments. In the event that an individual receives numerous payments and the total paid is \$600 or more in a calendar year, the project is responsible for providing the name, address, completed Vendor Information Form, and total amount paid by SDSU Research Foundation's accounts payable department. A 1099Misc form will be issued to the individual for the calendar year-end by January 31st of the following year. However, in cases where a project anticipates issuing human subject/incentive payments to any single individual of \$600 or more in a calendar year, those payments must be processed for 1099Misc tracking regardless of individual payment amounts.

Note: These special circumstances may be used only for U.S. citizens and resident aliens. All payments to nonresident aliens must be processed according to normal operating procedures. There is no \$600 reporting minimum for such payments. Please see [Section IV.C](#).

Procedures: Human subject/incentive payments may be processed using a *Disbursement Request*, *Miscellaneous Income Disbursement Request*, or *Miscellaneous Income Disbursement Request for Multiple Recipients*. These forms may be accessed at <http://www.foundation.sdsu.edu/forms/index.html#ap>. These forms are used for many other types of payments, but should be used as follows for human subjects/incentive payments:

- *Disbursement Request*: The *Disbursement Request* form is addressed directly to the recipient for an amount less than \$50. This form does not require a Vendor Information Form and payments will not be tracked for 1099Misc reporting. If there is knowledge that an individual will receive \$600 or more in a calendar year, then this form must not be used, regardless of the disbursement amount.
- The *Disbursement Request* is made out to the PI or other appropriate individual and designated as a miscellaneous advance. This method may be used under the following two circumstances only:

- If the Institutional Review Board (IRB) has deemed the human subject information confidential, the PI may request an advance regardless of the amount to be paid to the recipient. The PI or SR grant specialist must clearly indicate on the *Disbursement Request* that payments involve IRB APPROVED CONFIDENTIAL DATA. The advance must be cleared within 60 days and may be cleared with a list of payments issued under the process in place for the study that ensures confidentiality for subjects (i.e. listing by subject tracking number). By January 15th of each year, the PI provides to accounts payable a list of individuals who were paid \$600 or more in the previous calendar year. This list includes names, addresses, completed Vendor Information Form, and total amount paid to each individual. Accounts payable issues a *1099Misc* form to each individual who was paid \$600 or more.
- If the research project needs to make small cash payments to multiple recipients, the PI requests an advance providing no single payment to an individual is \$50 or more. The advance must be cleared within 60 days and may be cleared with a listing of the recipients and amount paid. A Vendor Information Form and permanent addresses are not required. If at the end of the calendar year, the project finds they have paid an individual \$600 or more, the PI provides a listing of those individuals to accounts payable by January 15th. This list includes names, permanent addresses, completed Vendor Information Forms, and total amounts paid to each individual. Accounts payable issues a *1099Misc* form to each individual who was paid \$600 or more in a calendar year.
- *Miscellaneous Income Disbursement Request*: The *Miscellaneous Income Disbursement Request* is addressed directly to the recipient. This form requires a completed Vendor Information Form and permanent address. Payments are tracked and a *1099Misc* form is issued at year-end if total payments are \$600 or more. Note: If there is knowledge that an individual may receive \$600 or more in a calendar year, this form must be used, regardless of the disbursement amount.
- *Miscellaneous Income Disbursement Request for Multiple Recipients*: The *Miscellaneous Income Disbursement Request for Multiple Recipients* is simply a timesaving device for making multiple one-time payments. This form requires completed Vendor Information Forms and permanent addresses. Payments are tracked for each individual and a *1099Misc* form is issued at year-end if total payments are \$600 or more. If there is knowledge that an individual may receive \$600 or more in a calendar year, this form (or the *Miscellaneous Income Payment Request* form) must be used, regardless of the disbursement amount.

Note: The Miscellaneous Income Disbursement Request and Miscellaneous Income Disbursement Request for Multiple Recipients forms are used to pay for prizes, awards, gifts, referees, umpires, judges, short-term guest lecturers (one or two days, normally), entertainers and royalties. These forms may not be used to pay a current employee of any campus or auxiliary within the California State University system for services performed.

Individuals receiving payments through the use of these forms are acting on an independent basis and are not employees of SDSU Research Foundation. The individual is fully responsible for any taxes relating to the amounts paid. SDSU Research Foundation withholds federal or California personal income taxes if required by government regulations (i.e. nonresident or “back-up” withholding).

These forms may not be used to pay Independent Contractors except for referees, umpires, judges, short-term guest lecturers or entertainers.

SDSU Research Foundation tracks all payments and issues a *Form 1099-MISC* at the calendar year end, in accordance with IRS guidelines.

4. California Income Tax Withholding/Non-employee Payments

Withholding is required when making payments to California nonresident vendors/independent contractors for services performed in California, as well as rent, royalty and beneficiary payments. The source of income from personal services is not determined by the residence of the tax-withholding agent (SDSU Research Foundation), or the location where the contract for services is entered into, or the place of payment. The source of income from personal services is the location where the services are actually performed. Payments made for personal services performed in California are California source income.

- When is SDSURF required to withhold? SDSURF is required to withhold from all payments or distributions of California source income made to a California nonresident when the payments or distributions will be greater than \$1,500 for the calendar year, unless SDSU Research Foundation receives authorization for a waiver or a reduced withholding rate from the Franchise Tax Board (FTB) or a *Form 590* from the payee. An SDSURF Vendor Information Form should be submitted to accounts payable prior to processing any payments for vendors providing services.
- What is the withholding rate? The withholding rate is seven percent (7%) of:
 - gross payments made to a California nonresident entity
 - a. for services performed in California.
 - b. recipients of California rents or royalties.
 - distributions of California source income made to California nonresident beneficiaries of estates or trusts.

- Are there exceptions to withholding? Yes. Withholding is not required if one of the following exceptions is met:
 - payment is for goods
 - payment is made to a resident of California or to a corporation or partnership that has a permanent place of business in California
 - the services provided by the California nonresident are not performed in California
 - total payments of California source income to the vendor are equal to or less than \$1,500 for the calendar year
 - payment is income from intangible personal property, such as interest and dividends
 - vendor is a tax exempt organization under either California or federal law
 - payment is compensation for a motor carrier providing transportation in two or more states
 - payments are made to a California nonresident corporate director for services
 - payments are wages paid to employees
 - vendor receives a written authorization waiving the withholding from the Franchise Tax Board and submits documentation to withholding agent, or
 - vendor is a bank or banking association.
- Which California nonresident entities are subject to withholding when receiving payments or distributions of California source income?
 - individuals who are not California residents
 - corporations, LLCs and limited partnerships that do not have a permanent place of business in California or are not qualified through the Office of the Secretary of State to do business in California
 - general partnerships that do not have a permanent place of business in California, and nonresident estates and trusts.
- What types of payments are subject to withholding? The following California source income is subject to withholding:
 - payments made for personal services performed in California
 - payments received for a covenant not to compete in California
 - payments releasing a contractual obligation to perform services in California
 - income from options received as a result of performing personal services in California
 - bonuses paid for services performed in California
 - rents and royalties from assets located in California.
- If SDSURF expects payments to a nonresident to exceed \$1,500 during the year, when does withholding start? SDSURF begins withholding on the first payment to the nonresident. The total payments are subject to withholding, not just the amount exceeding \$1,500.

- Does the Franchise Tax Board (FTB) require “catch-up” withholding if the withholding agent reasonably believed the total payments to a nonresident for the year would not exceed \$1,500, but later determines the total payments will exceed \$1,500? No. Withholding begins as soon as SDSURF determines that total payments of California source income for the calendar year will exceed \$1,500. If SDSURF reasonably believes the total payments would not exceed \$1,500 for the calendar year, the FTB does not require the withholding agent to make “catch-up” payments.

5. California Sales/Use Tax

San Diego State University Research Foundation is subject to sales/use tax imposed by the state of California upon retailers and purchasers conducting business in the state. The base rate for sales/use tax purposes is the same. District taxes may add to the rate and vary from location to location, generally by county. The important thing to remember is that there are only very limited circumstances under which San Diego State University Research Foundation is not subject to sales or use tax. For additional information please refer to San Diego State University Research Foundation’s Sales and Tax Use Guide located at http://www.foundation.sdsu.edu/pdf/ap_sales_use_tax_guide.pdf.

6. Prepayment

If a vendor requires prepayment or does not accept a *Purchase Order*, project personnel determine the amount of required prepayment (including tax and all related charges), and submit a *Purchase Requisition*, as well as a *Disbursement Request* made payable to the vendor. The buyer will make every effort to negotiate terms or procure goods/services via P-Card. In the event terms cannot be reached, the buyer will request a proforma invoice to attach to the disbursement request.

7. Distribution of Checks

Checks are normally distributed in one of two ways:

1. Checks are generally mailed to the name, permanent address and zip code of the payee or vendor indicated on the payment document. Campus mail may be used to send checks to SDSU Cashier’s Office, Aztec Shops and Associated Students only. Campus mail is not used to send checks to an individual.
2. In an **emergency** situation, the check may be forwarded to the sponsored research administration module if noted on the *Disbursement Request*. The check recipient may pick up the check upon presentation of proper identification. These checks may be held for a maximum of two working days. If they have not been picked up within this time frame, they are mailed to the recipient.

8. Replacement Checks

- **Lost or Stolen Checks**
Project personnel must immediately notify the SR grant specialist if an SDSU Research Foundation check is lost or stolen. After accounts payable places a stop payment on check, a replacement check is generally issued within five working days.
- **Void Checks**
If an accounts payable check is no longer required or has been incorrectly written, the project will return the check to the SR grant specialist. The SR grant specialist returns the check to accounts payable for cancellation. Before cancellation, accounts payable will verify with the bank that the check has not been cashed.
- **Checks not Received**
In the event that a check has not been received, the project personnel contacts the SR grant specialist to request a new check. After accounts payable places a stop payment on the check, a replacement check is issued.

9. Direct Deposit Disbursements

- Vendors, employees, and students may request payments be made through direct deposit by completing an Accounts Payable Direct Deposit Authorization Form. All accounts payable direct deposit disbursements require an email address in order to notify the payee of the payment.

10. Reversing and Reissuing a Direct Deposit Disbursement

- SDSU Research Foundation complies with all rules and regulations that govern direct deposits established by the Federal Reserve and NACHA, The Electronic Payment Association. Direct deposits can be reversed and re-issued immediately when the void is done on the same day the direct deposit file is generated but has not been transmitted to the bank. Once the transmission has occurred, reversing the direct deposit can be done up to five (5) days after the transmission. Reissuing the disbursement will be done only after the bank ACH reversal confirmation is received and it has been confirmed that the funds have been returned into the bank account. After five (5) days of the direct deposit file transmission to the bank, rules and regulations govern additional procedures required to have the direct deposit reversed and there is no guarantee that the disbursement will be returned. Reissuing these direct deposits will have to be analyzed on a case by case basis if the original disbursement is not confirmed as returned by the bank.

B. Processing Payments to Independent Contractors

Please see Evaluating Independent Contractor vs. Employee Status in the Human Resources section.

Upon completion of work, or as determined by the independent contractor agreement, an original invoice should be submitted to the SRA grant specialist for approval and then forwarded to accounts payable for processing.

Note: Only individuals, sole proprietors and partnerships should complete an *Independent Contractor* form. Corporations are not considered independent contractors.

C. Processing Non-payroll Payments to Nonresident Aliens

U.S. Citizenship and Immigration Services (USCIS) and the Internal Revenue Service (IRS) impose complex regulations for payments to foreign nationals. (The USCIS refers to foreign nationals as nonresident aliens). Since 9/11/2001, enforcement of these laws has been vigorous. Failure to follow these regulations can result in penalties, including the revocation of SDSU Research Foundation's privilege to sponsor foreign national visitors. We need to ensure that the following procedures are used consistently.

First, it must be determined if the recipient is a U.S. citizen, permanent resident alien (green card holder) or a foreign national. Permanent resident aliens have been granted permanent residency in the U.S. and have a green card. They are taxed on their worldwide income, exactly like U. S. citizens. They should already have a social security card. Their Red ID number should be entered on the payment document and normal payment procedures apply.

Anyone who is not a U.S. citizen or permanent resident alien is considered a nonresident alien. Nonresident aliens are taxed only on their U.S. source income, but generally at a higher rate of tax than U.S. citizens and permanent resident aliens.

Second, it must be determined if the payment to the foreign national is for a travel payment or for a non-payroll payment (such as for services, prizes and awards, or a scholarship/fellowship).

Third, if the payment is a travel payment, it must be determined if it is paid to the foreign national acting in a *compensatory* or *non-compensatory* capacity. A compensatory capacity would relate to services such as an independent contractor or an honorarium recipient (whether paid or not). A non-compensatory capacity would relate to a scholarship or fellowship that requires no service (other than for the recipient's training such as with an NIH grant).

To assist projects with determining residency and tax status, flowcharts outlining SDSURF policies and procedures are included in the "Forms" section at <http://www.foundation.sdsu.edu/forms/index.html#apnonresident>.

Travel payments paid to foreign national independent contractors and honorarium recipients (or others who would normally be compensated) are not subject to withholding taxes if paid according to normal travel payment procedures.

An SDSURF *Foreign National Information* form (<http://www.foundation.sdsu.edu/forms/index.html#apnonresident>) is required if a payment is also for services. If only travel payments are paid, a *Foreign National Travel Reimbursement Supplement* (<http://www.foundation.sdsu.edu/forms/index.html#apnonresident>) may be substituted.

- A WB or B-1 visa holder can be reimbursed for travel expenses even if they do not meet the “9, 5, 6” rule. The “9, 5, 6” states that the recipient must not be at the university for longer than nine days and hasn’t received any payments from more than five universities in the last six months.
- A WT or B-2 visa holder cannot be reimbursed for travel expenses if they do not meet the “9, 5, 6” rule.
- Generally, all other foreign recipients must be sponsored by SDSU in order to receive travel payments.
- Many visa types do not allow a foreign recipient to receive compensation or travel payments.

Note: Due to IRS and USCIS regulations, SDSU Research Foundation is required to reimburse the foreign national directly for travel expenses. Therefore, project personnel should not incur travel costs on behalf of the visiting foreign national.

Travel payments paid to foreign nationals in lieu of or for scholarship or fellowship recipients are subject to the foreign national scholarship and fellowship payment rules (reportable by SDSURF with 14% or 30% federal withholding required). Payments directly to third parties (such as hotels, agents or airlines) on behalf of such a scholarship or fellowship recipient are also subject to withholding. Therefore, in addition to SDSURF’s procedures required for foreign national scholarship and fellowship payments, copies of all [Disbursement Requests](#) and/or [Disbursement Authorization](#) forms used for third party payments should be attached to the [Nonresident Alien Fellowship/Scholarship Disbursement Request](#) form. Withholding for these direct payments (as well as the withholding required from reimbursements) is deducted from all subject travel reimbursements.

For other non-payroll payments paid to foreign nationals such as honoraria, independent contractor services, prizes and awards, scholarships/fellowships, etc., an SDSURF [Foreign National Information](#) form must be maintained in SDSURF’s files. This also applies to most nonresident scholarship/fellowship recipients. This form must be filed with the first payment request and every January thereafter.

Whenever an SDSURF [Foreign National Information](#) form is used, an [IRS Form W-8BEN Certification of Foreign Status of Beneficial Owner for United States Tax Withholding](#) must also be completed. Most nonresident payees complete an IRS Form *W-8BEN*. This form is used to establish that the payee is not a U.S. citizen or permanent resident alien, that the payee is the rightful recipient of the income and if applicable, that the payee may be eligible for tax treaty benefits.

If the payee does not have a social security number or an Individual Taxpayer Identification Number (ITIN), a completed and signed [IRS Form W-7, Application for IRS Individual Taxpayer Identification Number](#) must be provided.

If the payee claims to be a U.S. citizen or permanent resident alien but has a foreign address, has an ID number that begins with “999” or if you believe the payee may not be a U.S. citizen or permanent resident alien, refer them to the accounts payable nonresident tax coordinator for review.

Please note that payments to nonresident aliens for **work performed outside of the United States are neither reportable nor taxable**. If this is the case, projects/departments should indicate this on the face of the payment document or attach a detailed memorandum to the payment document explaining that the work is being performed outside of the U.S. If the payee is a nonresident alien, an IRS *Form 1099Misc* or *1042S* is not issued, and no tax is withheld. The payee must provide a completed and signed form W-8BEN. Attach this form to the SDSURF payment document and forward to accounts payable for processing.

What documents should be obtained to process a nonresident alien payment?

In addition to the normal documents required for payments to U.S. citizens or resident aliens, please attach the following items to the payment document.

- If the payee does not have a taxpayer identification number, a completed and signed [IRS Form W-7](#).
- Completed and signed SDSURF [Foreign National Information Form](#) (or in situations when only travel payments are paid – a [Foreign National Travel Reimbursement Supplement](#))
- Completed and signed IRS Form [W-8BEN](#)
- Completed draft copy of IRS *Form 8233* [Exception from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual](#), (if providing independent personal services and requesting tax treaty benefits)
- Copy of passport
- Copy of visa (or border crossing card). Residents of Canada or a visa waiver country do not have a visa page.
- Copy of USCIS *Form I-94* or *I-94W*
- For J-1 visa holders, copy of USCIS *Form DS-2019*
- For F-1 visa holders, copy of USCIS *Form I-20*.

What does the accounts payable nonresident tax coordinator do with this information?

- Reviews the information packet
- Mails IRS *Form* [W-7](#) to the IRS (under the current rules the IRS may reject it until the recipient files an actual tax return with an original *Form* [W-7](#) attached).
- Helps the payee complete an IRS *Form* [8233](#) to determine if they are eligible for tax treaty benefits. To claim tax treaty benefits, the IRS requires that the nonresident alien have either a social security number or ITIN and generally, complete *Form* [8233](#). The completed *Form* [8233](#) is faxed to the IRS, who has ten days to reject the 8233. If SDSURF does not receive a response, the treaty benefit is granted. Please note that this may cause delays in payment to the individual.

- Uses the Thomson Reuters's *Windstar Tax Navigator* software program to analyze information for applicable tax treaty benefits, if any. There are tax treaties with over 60 countries and each treaty is unique.
- Reviews California non-resident withholding requirements and completes information for annual Franchise Tax Board *Form 592*
- Helps the payee complete California withholding waiver *Forms FTB587, FTB588* or *FTB590*, if applicable
- Sets up new payees in Banner, including applicable withholding rates
- Verifies that the payee is not a current year employee
- Completes information required for annual IRS *Form 1042-S* processing. (Nonresident aliens that receive even 1¢ of income or tax treaty benefits are required by the IRS to receive an IRS *Form 1042-S* and to file an income tax return).

Disbursements to foreign nationals are processed only after a complete packet of documentation is received and reviewed for compliance with IRS and USCIS regulations.

The payment service manager is responsible for the federal and California withholding deposits and prepares all required returns.

D. Processing Payments to Foreign Entities

SDSURF requires that foreign companies selling non-tangible goods or services complete IRS Form W-8BEN-E. This form determines if the foreign entity is subject to the default 30 percent federal withholding on payments or if the foreign entity is eligible for any reduced withholdings related to an applicable treaty. The Form W-8BEN-E contains 30 parts and although very few entities will need to complete all parts, sections 1, 2, 4 and 6 must be completed and the form dated and signed by a beneficial owner or authorized individual. The form is valid for three (3) years from the date signed by the beneficial owner or authorized individual. At the end of three years, a new updated W-8BEN-E is required before further disbursements to the foreign entity can be processed.

After the completed W-8BEN-E is received, the entity's name is entered into an online restricted party screening software program called eCustoms Visual Compliance. The advanced search engine of Visual Compliance gives instantaneous and up-to-date results of denied and restricted parties from a large variety US governmental agencies. If the search results in no matching records found, the foreign entity can be paid. If the search finds a match further investigation is required to determine if the match is a false positive. If it is determined the entity is not a match to the Visual Compliance reporting, the foreign entity can be paid. Any foreign entity that is a true match cannot be paid.

E. Procurement Card (PCard) Program

The Procurement Card (PCard) program provides PIs and other designated staff with a more efficient means of making routine purchases by reducing paperwork and waiting time, allowing more purchasing responsibility and control at the department and project levels, and streamlining the purchasing cycle for frequent and routine purchases. SDSU Research Foundation PCards are Visa cards issued by US Bank (USB). The PCards are “corporate liability” cards, assigned by USB to the employee, but are issued in the name of and on behalf of SDSU Research Foundation.

1. Spending Profiles:

Three spending profiles have been established. Cardholders are assigned to a profile based upon business needs and requirements and upon approval of the PI, SR grant specialist and/or SDSU Research Foundation director.

<u>Spend Profile</u>	<u>Single Transaction Limit</u>	<u>Monthly Transaction Limit</u>
Profile 1	\$1,000	\$ 5,000
Profile 2	\$3,500	\$10,000
Profile 3	\$4,999	\$20,000

The Procurement Card Program Policy and Procedure Manual provide more information and greater detail on the PCard program. The manual can be found at http://www.foundation.sdsu.edu/pdf/pcard_policy_and_procedure.pdf. If, after reviewing this information, you believe the PCard provides a benefit to your project, department, or grant/contract, contact your SR grant specialist to determine your eligibility.

The use of the PCard is one of three acceptable methods for the procurement of goods and services. Refer to Section [III.D](#) for purchases using the purchase requisition process and Section [IV.A.1](#) for purchases using personal funds or credit cards.

The PCard program is meant to be a supplement to purchasing methods already in place, and is not intended as an overall replacement or as a means to circumvent purchasing guidelines and requirements.

V. TRAVEL

Any individual traveling on SDSU Research Foundation business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary or unjustified in the performance of business are not acceptable under this standard. Individuals are responsible for excess costs and any additional expenses incurred for personal preference or convenience. In order to accurately review the composite expenses of an excursion, individuals requesting reimbursement from multiple sources must attach a copy of any other claim forms being submitted for the trip.

Considerable variation exists among the rules for reimbursement of travel expenses (e.g., transportation and per-diem) on grants/contracts. Whenever travel expenses are charged to certain grants/contracts, the travel rules of the agency issuing that grant/contract, as well as the award itself, should be carefully reviewed. Please check with your SR grant specialist for a determination of which travel regulations apply to your project. When grants/contracts refer to "reasonable" expense, the following SDSU Research Foundation guidelines are applied. For additional information, contact SDSU Research Foundation's [travel coordinator](#), and to view forms online visit SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#ap>.

Foreign Travel

All individuals traveling to foreign countries on SDSURF business MUST report their travel plans to the SDSURF risk management staff in advance of the trip in order to be covered by the research foundation's foreign travel liability insurance policy. SDSURF's risk management staff may be reached at 619-594-4139 or by email at riskmanagement@foundation.sdsu.edu. All travelers must submit a [Foreign Travel Questionnaire](#) (PDF Format, 190KB)* 30 days prior to departure.

In addition, it is important to gain as much information as possible about the countries you will be visiting. Travel warnings, public announcements, consular sheets and tips on safety abroad are available at the U.S. Department of State web site at <http://travel.state.gov>.

SDSURF is required to obtain written approval from SDSU's president, CSU's Chancellor and CSURMA's insurance company prior to travel to countries deemed war risks or high hazardous. In the case of travel to these countries, forms must be submitted 45 days prior to departure.

See Section V.A.3., below, for information regarding insurance coverage for personal vehicles in foreign countries.

A. Transportation

The traveler is responsible for coordinating transportation with a travel agent or directly with the carrier/rental agency. The traveler must confirm departure/arrival dates and times with the airlines as well as pick up/return dates and times with rental

agencies, if applicable. All costs and all applicable sales taxes must be determined and submitted on a purchase requisition as described in the sections below.

In some instances, the traveler may wish to charge these transportation expenses to her/his own personal credit card to take advantage of special travel insurance and/or reduced rates that may be available. This is acceptable; however, the traveler must be aware that the cost of personal travel insurance and interest charges that may accrue as a result of the use of a personal credit card will NOT be reimbursed. The traveler must also keep in mind that a personal expense reimbursement may be denied if the expense is deemed unallowable or if budget is not available. Non-refundable transportation expenses may be reimbursed prior to travel. A copy of the paid invoice or ticket(s), clearly marked non-refundable, must be attached to a completed *Disbursement Request*, signed by the PI, and forwarded to the SR grant specialist for approval.

a. Airlines

All air travel must be economy or coach class, and special, low-cost rates should be used when possible. If any other class of air travel such as "first class," "business class" or "economy plus" is requested, SDSU Research Foundation is responsible for the basic economy or coach rate only. Please note that most federally-funded programs require travelers to use U.S. flag carriers in accordance with the Fly America Act. See your SR grant specialist for details of this requirement.

To purchase airline tickets, the traveler completes a *Purchase Requisition* signed by the PI or designee, and forwards it to the SR grant specialist for approval. The purchasing department then processes the *Purchase Requisition* and a *Purchase Order* is issued to the vendor. Alternate vendor bids are not required for airline tickets.

CAUTION: Should you choose to use your frequent flyer benefits to acquire airline tickets for business use, you are not eligible for reimbursement of the cost of a comparable ticket.

b. Shuttle Bus Service

The travel agent or hotel can provide information about shuttle bus or similar service, which should be used when reasonable instead of taxi service or rental cars for travel to and from airports.

c. Automobile Rental

To reserve a rental car the traveler completes a *Purchase Requisition* signed by the PI or designee, and forwards it to the SR grant specialist for approval. The purchasing department then processes the *Purchase Requisition* and a *Purchase Order* is issued to the vendor. Alternate vendor bids are not required for automobile rentals.

An economy or intermediate class vehicle should be requested by the traveler. These classes should be used unless a no-cost upgrade is provided or if the

recommended sizes are not adequate to meet the business purpose of the trip. The traveler should provide an explanation to justify the business need for an upgraded vehicle if there is an additional cost associated with the rental.

Note that the rental of any vehicle designed, used, or maintained for carrying more than ten passengers, including the driver, is expressly prohibited without prior approval of SDSURF's risk management department. For additional information, contact SDSURF's risk management department.

Automobile insurance for rented vehicles is provided for SDSURF employees, PIs, and project staff who are employed by SDSURF and are participating in SDSURF-related business activities. When employees rent vehicles to conduct SDSURF business, they should advise the rental agency that they are renting the car to use while on SDSURF business and deny the comprehensive, collision, and general liability coverages. All three of these coverages are provided under a single SDSURF policy. If a rental agency requires proof of insurance, a Certificate of Auto Insurance outlining policy coverage is available at www.foundation.sdsu.edu/pdf/risk_cert_of_ins_auto.pdf. Please note: there is a \$1,000 deductible and SDSURF's policy does not cover damage for rentals of more than thirty (30) consecutive days or for losses reported more than forty-five (45) days from date of loss. All uninsured losses and the \$1,000 deductible will be charged to the project or department.

SDSURF's automobile insurance does not cover loss of an employee's personal property. Some rental agencies provide personal property coverage. Most homeowner or renter policies provide this coverage for employees when they rent vehicles, but employees should review those policies to ensure that this exposure is covered. If not, the employee has the option to purchase, at their own expense, coverage for personal belongings.

Medical and/or personal accident insurance is not an allowable business expense, and if purchased, shall be the sole responsibility of the traveler.

For any SDSURF vehicle, rental car, or personal vehicle used for travel in a foreign territory on SDSURF business, auto liability and physical damage coverage must be purchased in advance from a reputable insurance company, prior to entering that country. Since foreign insurance coverage and programs are individualized, the auto insurance purchased must be applicable to all foreign territories within the route of travel.

d. Private Automobile

Effective January 1, 2016, the claimant may be reimbursed for business use of a privately owned automobile at the not-to-exceed rate of fifty-four cents (54¢) per mile (the rate for 2015 was 57.5¢). Please note that some grants and/or contracts may require more restrictive reimbursement rates. Check with your SR grant specialist for clarification. Persons authorized to use their private vehicle for SDSU Research Foundation- business are required to submit mileage and parking reimbursement claims on SDSU Research Foundation's [Mileage Reimbursement Claim](#) form. The requester is authorized to use this form

whenever the expense is for mileage and parking expenses only. When mileage plus a meal and incidental expense allowance is requested, SDSU Research Foundation's [Travel Reimbursement Request](#) form must be used.

Each mileage reimbursement claim is audited for compliance with SDSU Research Foundation travel policies. If a reimbursement claim requires adjustments or corrections totaling less than ten dollars, accounts payable makes the adjustment and issues the check for the correct amount. Accounts payable staff notify the requester of adjustments only when the adjusted amount is equal to or greater than ten dollars. In these instances, accounts payable returns the request with an explanation of the adjustment to the requester. If able to provide additional receipts and/or explanation for the disallowed expense, the requester may resubmit the disbursement request to the SR grant specialist, who approves and then forwards to accounts payable for processing.

There is sometimes confusion about what mileage is eligible for reimbursement when you are required to go to more than one job site in a given day. **The general rule of thumb is that the first and last commutes of the day are not eligible for reimbursement.** Examples to illustrate this point follow:

- When you drive from home to your regular job site, this mileage is not eligible for reimbursement as it is the first commute of the day.
- When you drive from home to a meeting or other business activity at a temporary job site, this mileage is not eligible for reimbursement as it is the first commute of the day.
- When you drive from your regular job site to a temporary job site, this mileage is eligible for reimbursement. If you visit several temporary job sites, this mileage is also eligible.
- When you drive from a temporary job site back to your regular job site, this mileage is eligible for reimbursement.
- When you drive from your temporary job site to home, this mileage is not eligible for reimbursement as it is the last commute of the day.
- When you drive from your regular job site to home, this mileage is not eligible for reimbursement as it is the last commute of the day.

Exceptions to this general rule may be allowed under the following limited conditions:

Daily mileage expenses may be reimbursed when the distance driven to the temporary job site is greater than would normally be incurred in driving from home to a regular job site.

Should you qualify and choose to use this exception, you must download and complete the current version of the *Mileage Reimbursement Request*. The mileage form has been modified to allow you to certify that the mileage claimed to drive to a temporary job site outside the metropolitan area is greater than what you would normally incur when driving from home to your regular job site. The *Mileage Reimbursement Request* form is located on

SDSU Research Foundation's web site at
<http://www.foundation.sdsu.edu/forms/index.html#ap>.

- Daily mileage expenses may be reimbursed when going between the employee's home and a temporary job site when the employee's home qualifies under IRS regulations as an office in the home. These regulations are summarized as follows:
 - Your home office must be for the convenience of the employer. The convenience of your employer test is satisfied if:
 - ◆ You maintain your home office as a condition of employment – in other words, your employer specifically requires you to maintain the home office and work there;
 - ◆ Your home office is necessary for the functioning of your employer's business; or
 - ◆ Your home office is necessary to allow you to perform your duties as an employee properly.
 - ◆ Your home office must be used *exclusively and* on a *regular basis* in connection with your work as an employee.
 - The exclusive use requirement means that you must use your home office *solely* for the purpose of carrying on your work as an employee. *Any* other use of the home office will result in loss of all deductions for your home office. For example, if you work in a spare bedroom that contains your desk, computer, fax, files, etc., and if you don't use that bedroom for anything but your work, that room passes the exclusive use test. But if you also use the room to sleep occasional overnight guests, it *fails* the exclusive use requirement.
 - The regular basis requirement means that you must use the home office in carrying on your business on a continuous, ongoing or recurring basis. Generally, this means a few hours a week, *every* week. A few days a month, every month, *may* qualify. Occasional, "once-in-awhile" business use won't qualify.

Should you qualify and choose to use this exemption, you are required to complete a *Certification of Eligibility for Reimbursement of Automobile Mileage – Office in Home* form and attach this to your *Mileage Reimbursement Request* form. These forms are located on SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#ap>.

In the event that a traveler can use air travel, and chooses instead to use a private vehicle, he/she will be reimbursed at the current mileage rate or the equivalent of a round-trip airfare, whichever is less. The average cost of round-trip airfare is to be determined by SDSU Research Foundation's travel coordinator. Justification for the use of a private vehicle must be included with the travel reimbursement claim. The traveler may not receive a meal and incidental expense for the personal time spent traveling via private vehicle as compared to the air travel time to the same destination.

The rates of reimbursement for mileage include the cost of maintaining liability insurance at the minimum amount prescribed by law and collision insurance sufficient to cover the reasonable value of the vehicle, less a standard deductible. A private vehicle must not be used on SDSU Research Foundation business unless the following requirements are in effect:

- Vehicle must be covered by liability insurance for at least the minimum prescribed by State Law.
- Driver must be in possession of a valid driver's license.
- Current vehicle registration and proof of insurance must be in the vehicle at all times.
- Vehicle must be equipped with safety belts in operating condition and all passengers are required to wear them.
- Driver only carries passengers who are also on SDSU Research Foundation business.
- Vehicle is adequate for the job to be performed.
- All accidents must be reported within 24 hours to SDSU Research Foundation's risk management staff at (619) 594-4139.

The vehicle owner must be aware that her/his personal automobile insurance is the primary insurance in the event of an accident. The insurance policy covering the primary owned vehicle will respond to the accident. SDSURF will not provide primary insurance coverage. If you do not want your personal auto insurance to be involved, do not use your auto on SDSU Research Foundation business. SDSU Research Foundation's insurance coverage is only applicable if the auto owner's liability exceeds her/his personal liability insurance coverage. Insurance carriers normally allow the occasional use of privately owned vehicles for business trips without an increase in premium rates. If a private vehicle is regularly used on SDSU Research Foundation business, an employee should notify her/his insurance carrier.

B. Lodging

Each traveler is responsible for making her/his own lodging reservations as well as arranging for payment. In some instances, advance payment is required to guarantee the first night of your hotel stay. You are encouraged to use SDSU Research Foundation *Purchase Orders* and/or *Disbursement Requests* to provide advance payment for the first night of a hotel stay. The balance of the hotel stay may be covered by obtaining a travel advance or with the use of your personal funds.

Prepaid lodging expenses using personal funds for advance expenses are not reimbursed until the trip/event has occurred. *An original detailed hotel receipt must be provided when requesting reimbursement for lodging expenses. A credit card charge slip and/or credit card monthly statement is not sufficient documentation.*

If reservations are made at a hotel where the traveler is attending a conference, the conference's special lodging rate must be requested. SDSU Research Foundation pays a single occupancy rate for one traveler and **not** double occupancy or suite rates.

Telephone charges are allowable on hotel bills if the traveler identifies the charge and specifically notes as business related. Internet/Wi-Fi charges are also allowable if required for business purposes and identified as business related on the travel reimbursement request. Telephone and internet/Wi-Fi charges for personal use are not eligible for reimbursement.

Lodging with a Friend or Relative: When a traveler stays with a friend or relative while on SDSURF business travel, a non-cash host gift such as flowers, groceries or a restaurant meal, may be provided to the host. The type of gift provided should be in compliance with the terms and conditions of the funds being used for reimbursement and is unallowable on sponsored program funds (grants and contracts). The actual cost of a non-cash host gift may be reimbursed up to \$75.00. Only one gift per stay may be provided to the host.

C. Travel Advances

1. Obtaining an Advance

An advance of \$100 minimum may be submitted for up to 80 percent of the estimated out-of-pocket expenses for travel in excess of 24 hours and may be requested no earlier than 30 days prior to the trip. The traveler completes a *Disbursement Request* signed by the PI or designee that includes an itemized list of anticipated expenses, and forwards it to the SR grant specialist for approval. New travel advances will not be issued to an individual who has outstanding travel advances in excess of 60 days old. The advance must be refunded immediately when a trip is cancelled or postponed. The traveler is personally responsible for clearing the advance. To avoid personal tax liability, the advance must be cleared within 60 days after the trip.

Travel advances are normally issued to an individual requester, except in instances where the composition of the travel party requires a campus custodian to administer travel funds for several individuals. When submitting a travel reimbursement claim to clear a single advance involving multiple travelers, a travel roster is required in addition to the normal documentation requirements. The travel roster must include the name of each traveler and the signature of the traveler acknowledging funds expensed on her/his behalf. A travel roster may be found on SDSU Research Foundation's web site at <http://www.foundation.sdsu.edu/forms/index.html#ap>.

2. Clearing an Advance

When the travel is complete, the traveler may find that the entire advance was not spent, more was spent than the amount advanced, or the amount spent equaled the amount advanced. The advance must be substantiated in one of the following ways:

- a. If the entire advance was not spent and the traveler is returning the unspent funds in cash, cash should not be delivered to anyone other than the cashier. Deliver the cash and a completed *Cash Receipt* form to SDSU Research Foundation's cashier. Include a copy of the *Cash Receipt* and staple the [Travel Reimbursement Request](#) form and backup documentation behind the copy of the *Cash Receipt*. Attach the advance card to the front of the copy of

- the *Cash Receipt*. The cashier forwards the copy of the *Cash Receipt* to the accounts payable [travel coordinator](#). The [travel coordinator](#) works with the SR grant specialist to approve the expenditures and clear the advance.
- b. If the entire advance was not spent and the traveler is returning the unspent funds by way of personal check, complete a Travel Reimbursement Request form. Attach your receipts and personal check for the balance of unspent funds to the form and forward them to the SR grant specialist for review. After review, the Travel Reimbursement Request form is forwarded to the travel coordinator for final audit and to clear the advance.
 - c. If more was spent than the amount advanced or the amount spent equaled the amount advanced, complete a Travel Reimbursement Request form. Attach the receipts and forward them to the SR grant specialist for review. After review, the Travel Reimbursement Request form is forwarded to the travel coordinator for final audit and to clear the advance. If more was spent than the amount advanced, an accounts payable refund check will be issued to the traveler.

D. Other Expenses

In some instances, advance payment is required for registration fees and other miscellaneous expenses. Employees are encouraged to use SDSU Research Foundation [Purchase Orders](#) and/or [Disbursement Requests](#) to provide these advance payments. Prepaid expenses using personal funds for advance expenses are not reimbursed until the trip/event has occurred.

Other costs not specifically addressed in this policy will be reviewed on a case-by-case basis to determine if the expense is eligible for reimbursement under SDSU Research Foundation policy and applicable sponsor agency and/or award specific terms and conditions.

E. Travel Allowances for Travel within the Continental United States

1. Per Diem Allowance for Short-term Travel - Meals and Incidental Expenses (M&IE)

Travel for 24 hours or more: The daily per diem allowance for meals and incidental expenses constitutes a maximum daily reimbursement and may be claimed as follows:

\$10.00	Breakfast
\$15.00	Lunch
\$25.00	Dinner
\$5.00	Incidentals (i.e., laundry, tips, etc.)

Travelers should record actual meal expenses or the authorized per-diem rates on SDSU Research Foundation's [Travel Reimbursement Request](#) form and submit it to the SR grant specialist who reviews and approves the expense and

forwards it to the travel coordinator for payment. This form may be found at <http://www.foundation.sdsu.edu/forms/index.html#ap>.

Requesters are reimbursed for the actual meal and incidental expenses or the maximum per-diem allowance, whichever is less. To receive an allowance for all three meals and incidentals, a traveler must be on travel status for a full 24-hour period. A 24-hour period is calculated from the time of departure on day one to the same time on day two, and to the same time on each succeeding day. (Note: The time of departure on travel claims may start when you leave your residence for the airport.)

For travel that is a fractional part of a period of travel of more than 24 hours, the maximum authorized allowance for meals is as follows:

If the travel extends past 9 a.m., a breakfast may be claimed; if the travel extends past 2 p.m. a lunch may be claimed; if the travel extends past 6 p.m., a dinner may be claimed. Travelers may be reimbursed for actual meal expenses up to the maximum allowance for each individual meal. An original receipt must substantiate any single item of expense for \$25 or more.

NOTE: The incidental expense of \$5.00 may be claimed on both the day you leave and the day you return from a trip as long as the trip length is twenty-four hours or more.

- *Travel for less than 24 hours:* For travel that is less than 24 hours in duration, meal allowances may be claimed: for breakfast if the travel begins before 7 a.m., for dinner if the travel extends past 6 p.m. Expenses must be incurred more than 25 miles from the normal work location and no lunch allowance may be claimed. Expenses for each meal must be reported on SDSU Research Foundation's [Travel Reimbursement Request](#) form. An original receipt must substantiate any single item of expense for \$25 or more.

2. Conference/Workshop Provided Meals

Attendees are not eligible to receive an M&IE allowance for any meals that are included in the registration fee for conferences, workshops, and meetings. The daily M&IE allowance must be reduced by the applicable meal allowance for the meal(s) provided. A copy of the registration form/brochure must be attached to the travel claim when requesting reimbursement.

3. Long-term Per Diem Allowance

A long-term per diem allowance is applicable when an individual's original estimated travel is for more than 30 consecutive days in one location. SDSU Research Foundation follows the policies for long-term travel as outlined by the CSU Chancellor's Office. Please contact SDSU Research Foundation's [travel coordinator](#) for current rates and policies.

F. Travel Allowances for Travel Outside the Continental United States

1. Short-term Per Diem Allowance – Meals and Incidental Expenses (M&IE)

For continuous travel of 24 hours or more outside the Continental U.S., per diem allowances are authorized on the basis of the rates established by the Secretary of State and published in "Maximum Travel Per Diem Allowances for Foreign Areas." Under this system, the per diem allowance for each travel day is established on the basis of a maximum amount for lodging expenses plus a fixed allowance for meals and incidental expenses, the total not to exceed the applicable maximum per diem rate for the location concerned. Please contact SDSU Research Foundation's [travel coordinator](#) for the current rate or you may log on directly to the U.S. Department of State website at http://aoprals.state.gov/content.asp?content_id=184&menu_id=78. If the specific city of travel is not listed, the "other" per diem rate for that country applies. Documentation requirements are as follows:

- An original receipt is required to support all lodging expenses for which an allowance is claimed. The traveler is reimbursed only for her/his actual lodging costs up to the applicable maximum amount.
- The fixed allowance for meals and incidental expenses is payable without itemization of expenses or receipts. For conference/workshop-provided meals and partial days of travel, the meals and incidental rate shall be prorated accordingly.
- All other requirements for receipts and documentation shall apply as per non-foreign travel.

2. Long-term Per Diem Allowance

A long-term per diem allowance is applicable when an individual's original estimated travel is for more than 30 consecutive days in one location. SDSU Research Foundation follows the guidelines for long-term per diem as outlined by the U.S. General Services Administration. Please contact SDSU Research Foundation's [travel coordinator](#) for current rates and policies.

3. Travel In Excess of 14 Hours

The use of business-class airline accommodations may be authorized or approved as an exception to normal policy under the following conditions: a) when business class travel is approved in advance of the trip by the sponsor's grant/contract officer (if grant or contract funds are being used); b) when travel is direct between authorized origin and destination points which are separated by several time zones, and either the origin or destination point is outside the continental United States; and c) the scheduled flight time (including stopovers) is in excess of 14 hours. When this authority is exercised, the traveler shall not be eligible for a rest stop en route.

Please check with the cognizant SR grant specialist and PI or designee before making travel plans to ensure that the funding source for travel allows this upgrade and that the PI authorizes the additional expense.

Sponsoring agencies normally do not approve airfares that exceed the lowest available commercial discount airfare, except when the airfare accommodations: a) require circuitous routing; b) require travel during unreasonable hours; c) result in excessively prolonged travel; d) greatly increase the duration of the flight; e) result in increased cost that would offset transportation savings; or f) offer accommodations not reasonably adequate for the medical needs of the traveler. In order to charge these types of airfare costs such as use of first-class or business-class airfare, the institution must document each situation on a case-by-case basis with the applicable condition(s) set referenced above.

Individuals traveling outside the U.S. must contact SDSU Research Foundation's risk management department 30 days prior to departure to ensure adequate insurance coverage is provided. See Section V. for additional travel requirements.

Travel warnings, public announcements, consular sheets and tips on safety abroad are available at the U.S. Department of State web site:
http://travel.state.gov/travel/travel_1744.html.

G. Receipts

Receipts shall be submitted for every item of expense with the following exceptions:

- Streetcar, bus, rapid transit and ferry fares; bridge and road tolls, if expenditure is less than \$25
- Meals and incidental expenses, except when specified
- Taxi or hotel bus fares under \$25 when used for official business
- All legal and miscellaneous expenditures totaling less than \$25
- Parking fees of \$25 or less for any continuous period of parking.

In cases where receipts cannot be obtained or have been lost, a statement to that effect must be made on the [Travel Reimbursement Request](#) form, approved by someone with authorized signature authority, and when applicable also approved by the cognizant SR grant specialist. In the absence of an approved explanation, the amount involved shall not be allowed. A copy of a canceled check both front and back may be accepted as a receipt. All necessary receipts and tickets must be securely attached to the claim or on a separate sheet of paper that is attached to the claim.

H. Travel Expense Claim

Receipts and other supporting documents, including claims submitted to other sources for payment of the same trip must be submitted for all reimbursement requests filed on the [Travel Reimbursement Request](#). The following are examples of expenses that must be documented (receipts required):

- lodging
- conference/registration fees
- common-carrier
- airline tickets
- automobile rental
- parking fees in excess of \$25.

- baggage fees

First-class airfare, liquor/bar bills, valet services, traffic fines, personal insurance charges, and motorcycle transportation costs are unallowable. Tips are covered under the Incidental Expense Allowance.

To be reimbursed for travel expenses, the traveler prepares a [Travel Reimbursement Request](#) form by itemizing all travel expenditures and attaching all required receipts and documentation. The expense claim, signed by both the traveler and PI or designee, is attached to a completed SDSU Research Foundation [Travel Reimbursement Request](#) form, and then forwarded to the SR grant specialist for routing to SDSU Research Foundation's travel coordinator for processing. Please note that travel reimbursements are normally issued to an individual requester, except in exceptional instances where the composition of the travel party requires a campus custodian to administer travel funds for several individuals. When submitting a travel reimbursement claim involving multiple travelers, a travel roster is required in addition to the normal documentation requirements. The travel roster must include the name of each traveler, amount of travel funds expended for the traveler, and the signature of the traveler acknowledging funds expended on her/his behalf.

Each travel claim is audited by SDSU Research Foundation's travel coordinator for compliance with SDSU Research Foundation travel policies. If a claim requires adjustments or corrections totaling less than ten dollars, the travel coordinator makes the adjustment and issues the check for the correct amount. On occasion, the travel coordinator may contact the claimant and/or SR grant specialist for clarification of expenses. The travel coordinator notifies the claimant of adjustments only when the adjusted claim amount is equal to or greater than ten dollars. In these instances, the travel coordinator forwards a copy of the claim and an explanation of the adjustment to the claimant. If the claimant is able to provide additional receipts and/or explanation for the disallowed expense, he/she may attach the additional documentation and copy of the adjusted travel claim to a new check request and submit for payment.

I. Travel Reimbursements for Nonresident Aliens

A nonresident alien's visa status must be obtained in order to determine whether or not the individual is eligible to receive reimbursement of travel expenses. If deemed eligible to receive reimbursement for the purpose of defraying or reimbursing travel, meals and lodging, these expenses are generally not subject to withholding taxes when documented in accordance with normal SDSU Research Foundation travel policies. The accounts payable nonresident alien tax coordinator and travel coordinator work together to determine eligibility and audit reimbursement requests appropriately. Refer to Section [IV.C](#) for more detail on all payments to nonresident aliens.

Note: Due to IRS and USCIS regulations, SDSU Research Foundation is required to reimburse the foreign national directly for travel expenses. As such, project personnel should not incur travel costs on behalf of the visiting foreign national.

J. Special Travel Situations

1. Spouse or Registered Domestic Partner Travel

The travel expenses of a spouse or registered domestic partner who accompanies a research foundation business traveler (e.g., the SDSU President, Provost, Vice Presidents, PI's or other employees) are reimbursable under these procedures, provided it can be established that the significant other's presence serves a bona fide university or research foundation business purpose.

Under IRS regulations, the travel expenses of a spouse or registered domestic partner are not taxable, provided it can be established that his/her presence serves a bona fide business purpose. A spouse or registered domestic partner who attends a function is considered to have a business purpose if he or she has a significant role in the proceedings or makes an important contribution to the success of an event.

Generally, protocol or tradition dictates when the participation of a high-level official's spouse or registered domestic partner is required at official university or research foundation functions, such as alumni gatherings, fund-raising or ceremonial activities, certain athletic events (see below), and community events. Documentation should be provided with the Travel Reimbursement Request to show that the spouse or registered domestic partner's attendance at the function meets the above conditions (e.g., an event or meeting agenda, a letter of invitation requesting that the spouse or registered domestic partner attend the meeting or event, or a memo of justification that documents the business purpose and role of the spouse or domestic partner).

If a spouse or registered domestic partner has no significant role in the proceedings, or performs only incidental duties of a social or clerical nature, attendance does not constitute a bona fide business purpose. Such expenses are taxable to the employee and therefore will not be reimbursed.

Expenditures for spouse or registered domestic partner travel are typically considered unallowable on grants and contracts. Expenditures may be considered allowable only if the individual has an approved programmatic role on the award and costs associated with the travel are allowable under sponsor regulations and award specific terms and conditions. SDSURF discretionary funds and Campanile Foundation funds may be used to fund spouse or registered domestic partner travel, if the expenditures meet the conditions outlined above, are appropriate for the funds being charged and sufficient funding is available to support the cost.

2. Athletic Travel – Spouse/Domestic Partner and Other Family Members

Travel by a spouse or registered domestic partner who accompanies an SDSU athletic director (or assistant director or head coach) to sporting events such as bowl games and tournaments is presumed to have a bona fide University, Campanile Foundation or SDSU Research Foundation business purpose in situations where the NCAA or potential donors expect that certain high-ranking members of the athletic department, and their spouses or registered domestic partners, will participate in events associated with these athletic activities.

The travel expenses of a spouse or registered domestic partner incurred in the pursuit of such activities may be reimbursed from Campanile Foundation funds or SDSU Research Foundation discretionary funds provided documentation, such as an NCAA event agenda, or a memo of justification is provided to substantiate the business purpose of the travel. Such amounts are not taxable or subject to reporting.

Travel expenses incurred by other family members generally do not satisfy the bona fide University/Campanile Foundation business purpose test and therefore are not reimbursable.

3. Travel Reimbursements for Campus Executives

In accordance with CSU and SDSU policy, SDSU Research Foundation requires additional approvals for executive travel. Campus executives are defined as the president and all vice presidents/executive vice presidents. The authority to approve executive level travel has been delegated in accordance with CSU Executive Order No. 688 (Delegation of Authority – Approval of Travel Requests) as follows:

- Vice President's travel expenses must be approved by the Vice President for Business and Financial Affairs as authorized by the SDSU President.
- The travel expenses for the President, including a spouse, registered domestic partner, or an Associate of the President, will be approved by the campus Vice President for Business and Financial Affairs.
- Travel expenses of the Vice President for Business and Financial Affairs will be approved by the President or his/her designee, provided that the individual does not report to the Vice President.

Travel claims submitted for reimbursement from SDSU Research Foundation or Campanile Foundation funds by a campus executive must have the appropriate level of approval and include a copy of the T-2 (Request for Absence from Campus) form with the appropriate approving official's signature.

VI. HUMAN RESOURCES

SDSU Research Foundation human resources policies and procedures are based on or required by various federal and state regulations. Failure to follow proper human resource practices not only negatively impacts SDSU Research Foundation employees but can also result in legal penalties, including the cancellation of government grants and contracts and personal liability to supervisors and PIs. Human resources staff provide the following services: position classification, employee recruitment and selection, compensation and benefits, affirmative action, orientation and training, performance evaluation, organizational development and design, employee relations, discipline and discharge, nonimmigrant VISA assistance, workers' compensation and liability and risk management.

SDSU Research Foundation's Chief Human Resources Officer (CHRO) or designee within the human resources department in consultation with management has the legal authority to establish pay, appoint, reappoint, discipline, discharge or change any employee's work status in any way. Any oral or written promises by any other person (including supervisors and PIs) are not binding upon SDSU Research Foundation. This policy protects supervisors, project directors and PIs from personal liability.

A. Hiring and Employment Procedures

1. Position Classification

SDSU Research Foundation human resources classifies all positions under standard classification titles and descriptions so that positions with similar duties and responsibilities are grouped together in the same classification. A consistently applied classification system and attendant pay scales are essential for ensuring compliance with equal pay requirements as well as other legislative guidelines.

If a PI or supervisor believes that a position is not properly classified, a request for a classification review should be submitted via a memorandum or e-mail to human resources outlining the reason for the review, including any new job responsibilities. The request should be accompanied by a current job description, the new job description, and an organization chart of the project or department. When the request is received, an HR business partner will acknowledge receipt of the request in writing and begin the classification review process. This process includes several steps such as an analysis of the materials submitted, interviews with the employee, a desk audit, discussions with the employee's supervisor and/or manager, and a comparison of similar positions within the work unit or outside the department. The position is then evaluated in terms of a number of different classification factors including:

- complexity and difficulty of work
- assignment of new duties and responsibilities

- nature of supervision exercised and received
- knowledge, abilities and skills required
- independence of judgment and action required
- temporary reassignments that develop into regular assignments
- department reorganizations.

PIs should make no commitment to any current or prospective employee concerning level or pay without SDSU Research Foundation human resources prior approval. There may be some situations when a classification review is not appropriate.

2. Recruitment and Selection

To ensure that sufficient funds are available and that all legal and governmental mandates are met, SDSU Research Foundation has developed hiring procedures which require the prior approval of human resources and SR administration before any staff are appointed.

The procedure for hiring employees is initiated by completing an on-line Job Requisition form via the [iCIMS Applicant Tracking System](#) (iCIMS), which can be accessed from a link on the [Employment Information for Hiring Managers](#) page. For assistance with the recruitment process, you may contact human resources at (619) 594-4139.

The HR business partner will:

1. Provide guidance on writing a job description
2. Prepare other recruitment materials
3. Assist with classification and salary placement, compose and place all employment advertisements
4. Screen for minimum and desirable qualifications
5. Forward resumes of qualified individuals meeting minimum screening criteria to the hiring manager for further screening and selection for interview
6. Attend interviews as appropriate.

The project hiring manager will:

- Develop the job description
- Provide possible specialty recruiting sources
- Review and select qualified candidates for interview
- Provide HR business partner with proposed interview questions five (5) days prior to the interview
- Appoint an interview panel composed of individuals to interview the qualified candidates
- Select candidate for hire and check professional references
- Submit completed interview documents to HR.

No applicant should be given any information about the interview evaluations or who is being recommended for hire. All applicant inquiries must be referred to human resources.

SDSU Research Foundation's CHRO, or designees within the human resources department, are the only people with the authority to offer regular employment. Offers of employment for employees cannot be made until a Personnel Assignment Form (PAF) is signed and approved in iCIMS by the PI/supervisor, SR grant specialist and/or dean.

3. Moving Allowance Policy

Reimbursement may be allowed for a part of the travel and moving expenses of professional and technically trained persons who change their place of residence to accept employment with SDSU Research Foundation under the following conditions:

- The expenditure is necessary in order to recruit a qualified person; and
- The appointee will occupy a position which is eligible to receive such an allowance; and
- Funds are available from the project or department for this purpose.

For a complete copy of the *Moving Allowance Policy*, contact the human resources department at (619) 594-4139.

4. Short-term Positions

Periodic short-term hiring needs can be met by hiring employees who are paid at an hourly rate (with the exception of university faculty and some university staff who are normally paid on the basis of their university salary rates). The PI will initiate the Appointment Recommendation form for short-term project employees being appointed on SDSU Research Foundation payroll. To allow time to resolve any unanticipated problems, the Appointment Recommendation form should be submitted to the appropriate HR business partner who assists with the appointment recommendation process and forwards for required approvals. This form should be submitted well before the employee is anticipated to begin working.

5. Onboarding

Federal regulations require SDSU Research Foundation to use the E-Verify system to verify all newly hired and re-hired employees are eligible to work in the United States. Further, CSU policy requires background checks be conducted on all final candidates for new hire.

Prospective employees must report to SDSU Research Foundation's human resources department to complete the necessary new hire forms on or before their first day of work to determine eligibility to work in the U.S. and complete the E-Verify process. Examples of acceptable identification for the completion of new hire forms can be found at

http://www.foundation.sdsu.edu/hr/employment/new_emp_info.html#signin.

6. Student Exemptions

Under federal law, full-time students employed by a university or a university auxiliary are exempt from paying social security taxes. To qualify for this exemption, a student employee must be:

- regularly enrolled in and currently attending classes at SDSU (including summer term if a summer exemption is sought)
- during the academic year, carrying a minimum of six (6) units for undergraduates, and five (5) units for graduate students (enrollment in Thesis 799A is considered full-time for master's degree candidates; enrollment in Thesis Extension 799B or Comprehensive Examination Extension 799C is considered half time for master's degree candidates)
- working 20 hours or less per week total in all campus assignments combined
- paid at a student classification wage rate.

Individuals who meet all these criteria should be classified for payroll purposes as students. Student employees are appointed by using the *Appointment Recommendation* form in the same manner as described in the preceding section for hourly employees.

7. Additional Employment

- **Additional Employment:** The hiring of CSU staff or faculty by SDSU Research Foundation is restricted and controlled by Additional Employment policy and the regulations of the CSU. Additional Employment is a method by which a university employee (usually a faculty member) may receive direct payment of salary for services related to a sponsored research project. The guidelines are complex and subject to further restriction by the funding source. Please contact your SRA grant specialist for assistance in this area.
- **Reimbursed Time:** Reimbursed time is the mechanism whereby SDSU Research Foundation reimburses the university for a portion of an employee's regular position, up to full-time, for work that is outside the employee's regular work assignment and compensated from a different source (usually sponsored research). The grant purchases a certain percent of a faculty member's time to work on a sponsored project, and her/his instructional assignment is reduced accordingly.

The faculty member's university department initiates the reimbursed time appointment on a *Grant and Contract Workload* form. This form is forwarded to the SR grant specialist for review and approval after all university-required approvals are obtained. The SR grant specialist evaluates the current appointment and reviews and approves the funding commitment. This process is performed for fall and spring semesters during the academic year.

8. Effort Reporting

See Section [II.J.4.](#) for details of effort reporting policies and procedures.

9. Employment of Relatives

Employees' relatives will not be eligible for employment with SDSU Research Foundation where potential problems of supervision, safety, security, morale or potential conflicts of interest exist. SDSU Research Foundation will not hire

relatives of present employees if the individual(s) concerned work in a direct supervisory relationship. For purposes of this policy, “relatives” include a spouse, domestic partner, child, parents, siblings, in-laws, parents, step parents, step siblings, step children or any person involved in a legally binding guardianship, romantic relationship with the employee, and/or residing in the home of the employee.

If two employees become subject to the restrictions of this policy after they are hired, one or both of the employees must notify their project director and human resources for review and follow-up.

SDSU Research Foundation reserves the right to determine if other relationships not specifically covered by this policy represent actual or potential conflicts of interest as well. Where SDSU Research Foundation determines that the relationship between two employees presents an actual or potential conflict of interest, SDSU Research Foundation may take appropriate action which includes, but is not limited to transfers, reassignments, changing shifts, or if necessary, possible termination of employment.

Any project, department or agency that would like to employ relatives must provide written justification for seeking an exception to this policy, which must include at least the following:

- What efforts have been made to recruit employees who were not related
- How each related person’s background is unique and related to the positions that are to be filled
- What safeguards will be put in place to eliminate any potential problems of supervision, safety, security, morale, or potential conflicts of interest.

Providing such a written justification does not guarantee that relatives will be employed by SDSU Research Foundation in the positions requested by the project, department or agency. If an exception is approved, an *Employment of Relatives Exception Request* memo must be completed and attached to the *appointment* form **before** the relative begins work.

10. Evaluating Independent Contractor vs. Employee Status

The following is intended to assist SDSU Research Foundation projects and staff in deciding whether to request individuals be engaged to provide services for SDSU Research Foundation as independent contractors or hired as employees.

a. Risk

At the outset, it is important to note that there is significant risk to SDSU Research Foundation in classifying individuals as independent contractors and not employees. If SDSU Research Foundation is wrong in classifying individuals as independent contractors, the risks may include state and federal tax liabilities and penalties, workers’ compensation penalties, unemployment insurance penalties, wage and hour liabilities and penalties, and possible attorney fees and costs. If there is any doubt

about whether the person should be classified as an independent contractor, it is better to take the safer and more prudent approach and classify the individual as an employee.

SDSU Research Foundation recommends that all those responsible for engaging independent contractors and consultants be familiar with the guidelines below, which should be read carefully before making a determination as to whether a worker is an employee or an independent contractor.

The risk to SDSU Research Foundation is enhanced by the fact that the determination of whether an individual is an independent contractor or an employee depends on the particular circumstances.

What To Consider

The US Department of Labor's Division of Wage and Hour is responsible for issuing guidance on the classification of individuals as independent contractors or employees under the Fair Labor Standards Act (FLSA). The guidance emphasizes the broad definition of employment under the FLSA and addresses the application of each of the "economic realities" factors that employers are to consider when determining how to classify a worker.

The guidance notes that the definition of "to suffer or permit to work" is very broad and the economic realities factors should be applied in view of that expansive definition. Specifically, the guidance states that each factor of the economic realities test should be used as a guide to answer the ultimate question of whether the worker is truly an independent business or is economically dependent on the employer.

The following is a list of the economic factors that are considered in determining whether an individual is an independent contractor or an employee:

- Is the Work an Integral Part of the Employer's Business?

If the work performed by a worker is integral to the business, it is more likely that the worker is economically dependent on the employer. The guidance further notes that work can be integral to a business even if the work is just one component of the business and/or is performed by many workers.

- Does the Worker's Managerial Skill Affect the Worker's Opportunity for Profit or Loss?

In considering whether a worker has an opportunity for profit or loss, the focus is whether the worker's managerial skill can affect his or her loss. A worker in business for him or herself faces the possibility to not only make a profit, but also to experience a loss.

- How Does the Worker's Relative Investment Compare to the Employer's Investments?

The worker should make some investment (and therefore undertake at least some risk for a loss) in order for there to be an indication that he or she is an independent business. The investment of a true independent contractor might, for example, further the business' capacity to expand, reduce its cost structure, or extend the reach of the independent contractor's market.

- Does the Work Performed Require Special Skill and Initiative?

A worker's business skills, judgment, and initiative, not his or her technical skills, will aid in determining whether the worker is economically independent.

- Is the Relationship Between the Worker and the Employer Permanent or Indefinite?

Permanency or indefiniteness in the worker's relationship with the employer suggests that the worker is an employee. Even if the working relationship lasts weeks or months instead of years, there is likely some permanence or indefiniteness to it as compared to an independent contractor, who typically works one project for an employer and does not necessarily work continuously or repeatedly for an employer.

- What is the Nature and Degree of the Employer's Control?

As with the other economic realities factors, the employer's control should be analyzed in light of the ultimate determination whether the worker is economically dependent on the employer or truly an independent businessperson.

While no single factor is determinative of whether the relationship is properly classified, the guidance emphasizes that the "control" factor should not play an oversized role in the analysis of whether a worker is an employee or an independent contractor. Ultimately, each of the factors should be considered in light of whether the worker is really in business for himself or herself and thus an independent contractor or is economically dependent on the employer and thus is an employee.

Under State law, the "right to control" and "ABC" tests are determinative. The primary factors considered significant when analyzing the right to control include: evidence of control over the worker's terms and conditions of employment, right of termination, furnishing of equipment, and method of payment. Under the ABC test, companies defending independent contractor classification are required to show that an individual providing services:

- Is free from the company's control in performing the services;
- Performs work outside the usual course of the company's business or outside the company's place of business; and

- Is engaged in an independently established business.

In addition to the Federal and State tests, the IRS utilizes a 20-factor “common law” test that incorporates the right to control and economic realities test elements. The IRS has indicated that a worker’s status under the common law list is determined by applying relevant facts that fall into three main categories: behavioral control, financial control, and the overall view of the relationship.

- i. Behavioral Control - These facts show whether there is a right to direct or control how the employee does the work. Even the right to direct and control the work may be enough to find an employment relationship. Employers typically instruct employees in the following areas:
 - When and where to do the work
 - How the work should be performed
 - The acceptable standards of work performance
 - What tools or equipment to use and where to purchase them
 - Which individual performs various tasks
 - What order or sequence to follow in performing the work.

The amount of training that an individual receives from the business also plays a critical role in the analysis. An individual who is trained to perform services in a particular manner is likely to be considered to be an employee. Independent contractors, on the other hand, ordinarily use their own methods and are responsible for obtaining their own specific training.

Even if no instructions are given, sufficient control may exist if the employer has the right to determine how the results are achieved. Although an employer may lack the knowledge to instruct a highly specialized professional, the key consideration is whether the employer has retained the right to control the details of a worker's performance or has given up that right.

- ii. Financial Control - An employer tends to control the business aspects of the worker's job under the following circumstances:
 - An employee has no expectation of realizing a profit or loss. An independent contractor can be expected to make a profit or loss.
 - An employee is reimbursed for business expenses. Independent contractors are more likely to have non-reimbursed expenses. Fixed ongoing costs that are incurred by the worker regardless of whether work is performed demonstrate that the worker operates an independent business that is subject to profits and losses.
 - An employee has no financial investment. An independent contractor often has a significant financial investment in the

- business he or she operates (although a significant investment is not always necessary for independent contractor status).
- An employee does not make his or her services available to the relevant market. An independent contractor is free to seek out business opportunities and perform work for multiple clients. They also advertise, maintain a visible business location, and are available to work in the relevant market.
 - An employee is paid based on the amount of time spent. Employees are generally guaranteed a regular wage amount that is paid on an hourly or weekly basis, even if wages are supplemented by a commission. Independent contractors, however, are usually paid a flat fee to perform or to complete a particular job (although there are some notable exceptions, where independent contractors would typically be paid by the hour).
 - An employee is required to personally perform services. If services are required to be performed only by the worker that indicates that the worker is an employee under the direction and control of the business. Independent contractors can substitute another person's services without approval of the business.
- iii. Overall view of the relationship – In addition to examining the factors that address different types of control, it is also necessary to consider the overall nature of the relationship, including:
- The intent of the parties to create either an employer/employee relationship or a principal/independent contractor relationship, as set forth in a written contract.
 - The permanency of the relationship. Engaging a worker for an indefinite period of time as opposed to a specific period of time generally indicates that an employer/employee relationship exists.
 - The right to terminate the worker at will. Having the right to terminate a worker at will – i.e., at any time, for any reason, and without notice – strongly suggests the existence of an employer/employee relationship.
 - Requirements to regularly attend meetings and/or prepare reports. Unless the primary purpose of the contract is to attend meetings or prepare reports, these activities normally demonstrate an employee-employer relationship.
 - The services performed by the worker are part of the regular business of the project/department. A worker who provides services that are part of the regular business activity of the project/department is more likely to be construed as an employee. Example: if a grant or project has the purpose of counseling high school students, then individuals who are engaged to counsel high school students are probably considered employees and not independent contractors.

- Providing the worker with benefits, such as insurance, a pension plan, vacation pay, or sick pay. Traditionally, only workers with employee status receive benefits.

The National Labor Relations Board has also adopted a test for independent contractor classification and determining whether a worker is an employee. Under the NLRB's test, 11 factors are evaluated to determine whether an individual is, in fact, rendering services as part of an independent business. The 11 factors are similar to the DOL's economic reality test and are as follows:

- Extent of control by the employer;
- Whether or not the individual is engaged in a distinct occupation or business;
- Whether the work is usually done under the direction of the employer or by a specialist without supervision;
- Skill required in the occupation;
- Whether the employer or individual supplies instrumentalities, tools, and place of work;
- Length of time for which the individual is employed;
- Method of payment;
- Whether or not the work is part of the regular business of the employer;
- Whether or not the parties believe they are creating an independent contractor relationship;
- Whether the principal is or is not in the business; and
- Whether the evidence tends to show that the individual is, in fact, rendering services as an independent business.

Under no circumstances may SDSU Research Foundation engage a current employee of SDSU, or the SDSU Research Foundation as an independent contractor.

iv. Making the Decision

If after studying all the above-factors you conclude that a worker would be classified as an employee, the next step is to work with your Human Resources Business Partner to complete the hire process.

When there is convincing evidence that the worker could be classified as an independent contractor, please forward a fully completed *Independent Contractor Pre-Selection Checklist*, a scope of work statement, and an *Independent Contractor Disbursement Authorization Request and Agreement* form to your SR grant specialist, MC-1934 for approval **prior to** the performance of the services. Sample signatures of authorized approving representatives must be on file with SDSU Research Foundation and must agree with the signatures on your request. A copy of these forms may be accessed at <http://www.foundation.sdsu.edu/forms/index.html#ap>. Due to the increased monitoring of these relationships, SDSU Research

Foundation carefully reviews proposed independent contractor agreements prior to approval. Accordingly, SDSU Research Foundation human resources will make the final determination regarding independent contractor status or employee/employer relationship.

Consulting arrangements in excess of \$5,000 and/or a specified contract period of greater than three months may require a consultant agreement in addition to the independent contractor form. The SRA grant specialist will work with the PI to determine if a consultant agreement is needed.

If the independent contractor is a nonresident alien, a *Foreign National Information* form and other documentation is also required. Refer to Section [IV.C](#) for addition information regarding payments to nonresident aliens.

Processing the Payment

Upon completion of work, or as determined by the independent contractor agreement, an original invoice is submitted to the SRA grant specialist for approval and then forwarded to accounts payable for processing.

Note: Only individuals, sole proprietors and partnerships should complete an *Independent Contractor* form. Corporations are not considered independent contractors.

B. Compensation and Benefits

1. Pay Periods

All SDSU Research Foundation employees are paid twice a month, usually on the tenth and twenty-fifth of each month. Work performed on or between the first and the fifteenth of the month is paid on the twenty-fifth. Work performed on or between the 16th and the last day of the month is paid on the tenth day of the following month. If the payday falls on a non-work day (such as a weekend or a paid holiday), pay day is on Friday or the day before the holiday. Employees may view their pay stub information by logging into SDSU Research Foundation's web-based employee information center, Employee Gateway, at:

https://piprofile.sdsu.edu:4443/pls/emp_web/twbkwbis.P_WWWLogin.

Deductions are taken automatically from earnings for federal and state tax withholding, state disability insurance and social security (FICA). Optional deductions may also include such items as parking and tax-sheltered annuities. SDSU Research Foundation prefers all employees receive their pay by direct deposit. Employees who do not elect direct deposit will have the option to have the paper check mailed directly to the employee's address.

2. Timekeeping (Submission of time sheet and supervisor approval)

Please note it is the responsibility of each employee to submit her/his time sheet to their supervisor in Workforce EmpCenter time keeping system. Time sheets must be submitted on the 15th and last day of the month for respective paydates on the 25th of the month and 10th day of the subsequent month. The supervisor is required to approve the time sheet on the 1st day of the month for paydates on the 10th of the month and on the 16th of the month for paydates on the 25th. If the 1st or 16th is not a business day, the time sheets need to be approved on the next business day.

3. Salaried Employees (Exempt)

Salaried exempt employees report those hours which are "exceptions" to their regular schedules (i.e., vacation, holiday, sick leave, jury duty etc.) Salaried exempt employees may record exceptions in four (4) hour increments, but no less. All exempt employees are required to submit their time sheet to their supervisor for approval. Failure to comply with the submission process may result in disciplinary action up to and/or including termination of employment.

4. Hourly and Student Employees (Non Exempt)

Hourly and student employees record all hours worked on their timesheets in Workforce EmpCenter time keeping system. All time sheets must be submitted by the employee on the scheduled due date to their supervisor for approval. Failure to comply with the submission process may result in disciplinary actions up to and/or including termination of employment.

5. Meal and Rest Periods

Meal Periods: All non-exempt employees must be provided at least a 30-minute unpaid meal period when they work five hours or more. Employees who work in excess of ten hours in a workday are eligible to receive a second unpaid meal period. A meal period is at least 30 minutes and should be arranged to provide adequate office coverage. There may be variations in this schedule depending on the departmental or project needs as determined by each employee's supervisor.

If an employee is regularly scheduled to work six hours or less a day, the required meal break on or before the fifth hour of work can be waived by mutual consent of the employee and supervisor. A meal period waiver form (form www.foundation.sdsu.edu/pdf/payroll_meal_waiver.pdf) must be completed and returned to human resources before the meal break can be waived.

Rest Periods: All non-exempt California employees are entitled to take one ten-minute rest break for every four hours worked or major fraction thereof (i.e. any work period exceeding two hours). Rest periods are paid time worked by SDSU Research Foundation employees. This rest period should

be taken during the middle of each work period as the workday permits. Rest periods cannot be taken during the first or last half hour of the workday and may not be accumulated to be taken at a meal period or a later time.

Penalty for Failure to Provide a Meal or Rest Period

If a supervisor fails to provide a non-exempt employee a meal or rest period, the employee will be paid one additional hour of pay at their regular rate of pay for each missed meal and rest period. Employees should record these penalty hours under “Pen Pay PLP” on their time report. Any hours recorded do not count toward overtime for the day or the week.

All non-exempt employees that violate the requirement to take a meal break are entitled to meal break penalty pay. The penalty pay is one additional hour of pay at the employee’s regular rate of pay. The penalty pay does not count toward hours worked for overtime purposes. Supervisors are responsible to approve the penalty pay on the employee’s time sheet in EmpCenter. If the supervisor or employee fails to properly assign the meal break penalty pay for violations, payroll will assign the penalty pay to maintain compliance with labor laws.

Because failure to take meal and/or rest periods is against SDSU Research Foundation policy, non-exempt employees who fail to take meal and/or rest periods may be subject to discipline, which may include termination.

6. Overtime

Supervisors may require employees to work beyond normal hours. Although advance notice is given when feasible, this is not always possible. To determine whether an employee is non-exempt and thus eligible for overtime pay, please speak with an HR business partner. For the purposes of determining overtime, SDSU Research Foundation’s workday and workweek usually begin at 12:01 a.m. on Sunday and end at 12:00 midnight the following Saturday. However, other workweeks may also be established in advance for a particular group of employees. Workweek schedules for any group of non-exempt employees will be formal and ongoing, not situational or intermittent.

All non-exempt employees must have supervisory approval before working overtime. Because unauthorized overtime is against SDSU Research Foundation policy, non-exempt employees who work unauthorized overtime are subject to discipline, which may include termination.

By the same token, employees cannot waive or agree to forgo their overtime premium pay – either voluntarily or involuntarily. For that reason, the PI or supervisor has the responsibility to ensure that overtime hours for employees are correctly documented in the EmpCenter time and attendance program. Non-exempt employees will be paid one and one-half (1 ½) times their regular rate for all hours worked in excess of eight (8) hours in a workday, over forty (40) hours in a workweek, or for the first eight (8) hours on the seventh (7th) consecutive day of work in a workweek. Non-exempt employees will also be

paid two (2) times their regular rate for all hours worked in excess of twelve (12) hours in a workday or in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek. For purposes of determining which hours constitute overtime, only actual hours worked in a given workday or workweek will be counted. Vacation, sick or holiday time are not counted as “hours worked.” Employees who participate in an ongoing, established compressed workweek (such as a ten-hour -day, four-day workweek or a “9/80” schedule) will have different overtime rules and workweeks. For instance, those participating in a 4/10 receive overtime pay after ten (10) hours are worked in a workday or forty (40) hours in one workweek. Overtime pay is received on the next scheduled payday.

Exempt employees are generally those in executive and some administrative, scientific, professional or supervisory positions. These employees do **not** receive pay or compensating time off for any time worked in excess of eight (8) hours in a day or forty (40) hours in a week.

Time worked on a holiday is paid at straight time up to eight (8) hours in the day unless the employee has already worked forty (40) hours that week. Since work on a holiday is not overtime pay, both non-exempt and exempt employees may earn holiday credit for working on a SDSU Research Foundation-designated holiday.

7. Employee Benefits

SDSU Research Foundation employees may be eligible to receive benefits as outlined below. Further information about each of these benefits is available from human resources or at:

<http://www.foundation.sdsu.edu/hr/benefits/index.html>.

Regular employees excluding Joint Doctoral and Postdoctoral employees (SE appointments) are eligible for health benefits (including vision), dental, group life insurance, supplemental life insurance, flexible spending accounts for health care and dependent care, long term disability, retirement, unemployment compensation, FICA/OASDI (social security), workers' compensation, state disability, paid family leave, vacation, sick leave, paid holidays, direct deposit, employee assistance program (EAP) and voluntary tax sheltered annuities, and voluntary critical illness, accident, and hospital indemnity coverage.

Joint Doctoral and Postdoctoral (SE appointments) employees are eligible for health benefits including vision, dental, flexible spending accounts for health care and dependent care, unemployment compensation, FICA/OASDI, (social security), workers' compensation and state disability, paid family leave, direct deposit, employee assistance program (EAP) and voluntary tax sheltered annuities, and voluntary critical illness, accident, and hospital indemnity coverage.

Hourly employees in the Temporary Casual (TC) classification are eligible for retirement, unemployment compensation, FICA/OASDI (social security), workers' compensation, state disability, paid family leave, sick leave, direct deposit, EAP, and voluntary tax sheltered annuities.

Student employees in the Temporary Student (TS) classification are eligible for unemployment compensation, workers' compensation, state disability, sick leave, direct deposit, and voluntary tax sheltered annuities.

8. Vacation

Vacation Rates and Limits of Accruals: Vacation benefits for eligible project employees, as noted above, are awarded at various rates. The rate depends upon the length of service as shown on the following chart.

Vacation Accrual Rate		
Years of Service	Salaried*	Hourly
Less than 3 years (first 36 months)	3.33 hours per pay period (10 days per year)	.0384 hours per hour worked
3 years but less than 6 years (37-72 months)	5 hours per pay period (15 days per year)	.0577 hours per hour worked
6 years but less than 15 years (73-180 months)	6.67 hours per pay period (20 days per year)	.0768 hours per hour worked
Over 15 years (181 months +)	8 hours per pay period (24 days per year)	.0923 hours per hour worked
All Management Employees (class, RM, only)	8 hours per pay period (24 days per year)	

* If a salaried employee is employed on less than a full-time (100% FTE) basis, the applicable vacation accrual rate will be prorated based on actual percent of effort.

9. Carryover of Accrued Vacation Benefits

Eligible project employees are permitted to carry over accrued vacation benefits from one year to another to the maximum limit allowed for their category as described in the following chart. Eligible project employees do not continue to earn vacation when they reach the capped limit. For project employees who reach the capped limit, once vacation is taken, vacation hours will accrue again and will continue to accrue until the cap is again reached.

Years of Service	Limit
Less than 6 years	160 hours
Over 6 years of service	280 hours
Management employees	280 hours

Normally, a break in service requires an employee to begin accruing vacation as a new employee and at the lowest rate of accrual unless a project employee returns with less than a one-year break of service. Such employees may continue to accrue vacation as if there was no break in service.

Distribution of Vacation Benefits

Eligible project employees accrue vacation from the first day they are hired into an employee class that offers vacation. Employees may **not** use vacation prior to accruing it even with supervisory approval.

If an eligible project employee terminates employment, is transferred to an ineligible employee class, is transferred to another project, or has a break in service as those caused by funding delays, unused vacation will be paid off.

Terminating employees who are eligible for vacation pay-off are paid at their current rate of pay for all unused vacation from SDSU Research Foundation's vacation pool.

Scheduling and Recording Time Off

Accrued vacation as well as any accrued personal holiday time is taken at the mutual convenience of the employee and the project or SDSU Research Foundation. From time to time, SDSU Research Foundation may require employees to take time off and to use accrued but unused vacation time due to scheduling needs and/or budgetary considerations. SDSU Research Foundation will try to give employees as much advance notice as is practical when they are required to take time off and use their vacation. All vacation and accrued personal holiday time must be requested at least 24 hours in advance by the employee, and approved by the supervisor. Non-exempt employees may use vacation and personal holiday hours in any increments. Exempt employees may use vacation and personal holiday hours in 4-hour increments but not less. An exempt time report received in payroll with less will be processed as if no time off has been taken. Any employee who uses vacation or personal holiday time without approval by her/his supervisor is subject to discipline up to and including termination of employment. Exempt employees taking full workdays off should record vacation, personal holiday time and sick taken in daily increments.

Transfers from the University

Employees earning vacation whose position moves from the university to SDSU Research Foundation in the same project and where the employee continues to perform the same duties without a break in service will earn vacation at the same rate at SDSU Research Foundation as would have been accrued at the university, although SDSU Research Foundation's caps for similar service would apply. Vacation hours from the university cannot be transferred to SDSU Research Foundation. Employees moving from the university to a different job on a project at SDSU Research Foundation will earn vacation at the same rate as a new employee without credit for university service.

Policy Exceptions

Employees or project directors may request exceptions by writing to the CHRO. Exceptions may include a vacation pay-off at the end of a funding cycle, or at the time that an employee is transferred to or hired on a different

project. No exceptions can be made in the capped amount or in the amount of vacation an employee is eligible to accrue.

10. Holidays

Generally, SDSU Research Foundation attempts to follow a calendar of holidays similar to the one established by San Diego State University. The university observes some holidays on their recognized calendar dates and observes other holidays on a different date, such as the day after Thanksgiving and days off during winter break. SDSU Research Foundation's calendar of holidays therefore necessitates that employees work on some traditional holidays, but allows employees to be off work on non-traditional dates. There are thirteen and a half holidays a year recognized by SDSU Research Foundation. SDSU Research Foundation's human resources department publishes the [schedule of holidays](#) on the website.

If a holiday is assigned by SDSU Research Foundation to be observed (taken off) on a date that is different from the date traditionally recognized, no holiday time or pay accrues on the holiday date that is traditionally recognized. Holiday time or pay only accrues on the date that the holiday is actually observed by SDSU Research Foundation.

Holiday pay is based on the eligible employee's percentage of time (i.e., full-time employees who are regularly scheduled to work forty (40) hours per week receive eight (8) hours, half-time employees receive four (4) hours). In order for an eligible part-time employee to receive holiday pay or credit, the holiday must fall on one of the employee's regularly scheduled workdays.

If a holiday is observed on a scheduled workday during an employee's vacation or sick leave, the employee will be paid holiday pay. The time off will not be charged to sick leave or vacation time. Employees who are absent from work due to an unpaid leave of absence on a day that a holiday is observed by SDSU Research Foundation will not, in most circumstances, be eligible to receive holiday pay or credit.

Personal Holiday Accrual Banks: If an employee works on an SDSU Research Foundation holiday, the employee will receive the holiday time that would have been paid placed in the employee's personal holiday accrual bank. Holidays that have been "banked" may be used only with the prior approval of the employee's supervisor. Holiday time may not exceed eight (8) hours in a day.

In addition to the thirteen and a half (13 ½) holidays that SDSU Research Foundation observes, eligible employees are also awarded a personal holiday each calendar year to take for any personal reason. Personal holidays are automatically added to each eligible employee's personal holiday accrual each January.

Accrued but unused personal holidays and banked holidays will be paid at an employee's termination. However, employees terminating employment may not elect to "run out" their time during their notice period.

11. Sick Leave

Full-time Employees

Sick leave for eligible full-time employees is credited at the rate of eight hours per calendar month. All accumulated sick leave may be carried from one year to the next.

Part-time, Student, Temporary, Seasonal Employees

All part-time, student, temporary, and seasonal employees who work in California for 30 or more days within a year from the beginning of employment are entitled to paid sick leave.

Paid sick leave accrues at the rate of not less than one hour per every 30 hours worked, paid at the employee's regular wage rate. Accrual shall begin on the first day of employment or July 1, 2015, whichever is later.

Accrued paid sick leave shall carry over to the following year of employment and may be capped at 96 hours. An employee may use accrued paid sick days beginning on the 90th day of employment.

Administration

SDSURF shall provide paid sick days upon the oral or written request of an employee for themselves or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.

Retaliation or discrimination against an employee who requests paid sick days or uses paid sick days or both is prohibited. An employee can file a complaint with the Labor Commissioner against an employer who retaliates or discriminates against the employee.

12. Leaves of Absence

It is SDSURF's policy to grant leaves of absence to all eligible employees on a non-discriminatory basis according to applicable state and federal law. Under some circumstances, employees may take leave intermittently by taking leave in blocks of time, or by reducing their normal weekly or daily work schedule. It is up to each employee to make a reasonable effort to avoid disruption during working hours. The employee will make their request for all leaves of absence through EmpCenter Time and Attendance. The CHRO or designee makes all final decisions.

All leaves are unpaid by SDSURF, except to the extent an employee elects to use any available sick leave, vacation time, and/or personal holiday time. Paid time off will typically supplement any payments received by Workers' Compensation, State Disability or Paid Family Leave. The combined payments will approximate full wages normally received until the exhaustion of the accrual balances or the normal end of the employee's appointment. Employees are responsible for applying for any applicable state or other

disability income benefits. An online claim application for California State Disability Insurance and Paid Family Leave benefits is available through the Employment Development Department's website at www.edd.ca.gov. Employees who wish to take a leave of absence should apply for leave using the EmpCenter Time Off/Leave Request Resource as soon as they learn of the need for leave (if foreseeable, 30 days in advance), even when they do not know the precise dates that the leave will be needed.

Types of leaves of absence may include, but are not limited to:

- Family and Medical Leave (FMLA)
- California Family Rights Act (CFRA)
- Pregnancy Disability Leave (PDL)
- Organ and Bone Marrow Donation Leave
- Military Service Leave
- Military Spouse/Domestic Partner Leave
- Military Caregiver Leave/Covered Service Member Leave
- Qualifying Exigency Leave (may be part of FMLA)
- Jury Duty Leave
- Why blank?
- Domestic Violence Recovery or Prevention
- Witness and Crime Victim Leave
- Other leaves as required by Law

Unless otherwise stated, all benefits in which the employee is enrolled will continue while the employee is on any paid leave. If the leave is unpaid or not a legally mandated leave, most benefits will end the last day of the month in which the employee was in a paid status. The employee will be provided with any applicable COBRA notices and will be able to continue certain coverages on their own through the election of COBRA or Cal-COBRA, or conversion, if applicable.

While on a legally mandated leave, under most circumstances, an employee will be reinstated to his or her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. For example, if an employee would have been laid off had he or she not gone on leave, or if the employee's job is eliminated during the leave and no equivalent or comparable job is available, then the employee would not be entitled to reinstatement. In addition, an employee's use of leave will not result in the loss of any employment benefit that the employee earned before taking a leave.

Note: Misrepresentations made to obtain or continue any leave of absence are grounds for immediate termination.

C. Performance Reports

SDSU Research Foundation employees should be evaluated annually by their supervisors. The supervisor or PI and employee have an opportunity to review

areas of strengths and improvements and expectations for the coming year. The PI or supervisor and employee should discuss and sign the performance report and the employee should receive a copy before the report becomes a part of the employee's record. Special performance reports may be initiated by the supervisor or requested by the employee at any time. A guide to conducting a performance evaluation is available on the human resources website at <http://www.foundation.sdsu.edu/forms/index.html#hr>.

When an employee reaches their anniversary of their first day of employment, the supervisor should take this opportunity to review performance and when appropriate, recommend a merit increase.

D. On the Job Injuries

Every SDSU Research Foundation employee and volunteer is covered by workers' compensation insurance. This coverage provides the medical care reasonably required to relieve the effects of an on-the-job injury or work-related illness. For more information on this topic see SDSU Research Foundation's human resources website at <http://www.foundation.sdsu.edu/hr/wc/index.html>.

In case of an on-the-job injury, immediately report the injury to both the supervisor and Workers' Compensation Administrator at (619) 594-1088 or human resources at (619) 594-4139. You must report any injury to your supervisor within 24 hours, no matter how trivial the injury may seem. You will need to tell her/him when, where, and how the injury occurred, what happened, and if anyone witnessed the injury.

If your injury or illness develops gradually (like tendonitis or hearing loss), report it as soon as you learn it was caused by your job. Reporting promptly helps prevent problems and delays in receiving benefits, including medical care you may need to avoid further injury.

For life-threatening, on-the-job emergency situations: call 911. Go to the nearest emergency room/medical facility equipped to handle emergencies.

Report the injury, within eight hours, to human resources at (619) 594-1088 or (619) 594-4139, regardless of whether the accident occurs during normal working hours, after hours or over the weekend.

A medical emergency is generally defined as a sudden and unforeseeable injury or illness of such a nature that failure to get immediate medical care could be life-threatening or include severe bleeding from any site, loss of consciousness, seizures, or severe or multiple injuries.

For non-emergency situations during working hours: Before seeking medical treatment for the employee, call SDSU Research Foundation human resources at (619) 594-1088 or (619) 594-4139. Provide details of the injury and obtain authorization for treatment at an approved medical facility that specializes in the treatment of industrial accidents and injuries. Refer to SDSU Research Foundation website at <http://www.foundation.sdsu.edu/hr/wc/index.html>.

Supervisors should investigate the claim and be prepared to report when, where, and how the injury occurred. When obtaining information about the claim, the supervisor also needs to know who witnessed the incident and if the employee had any prior injuries.

For non-emergency situations, after hours or on weekends: If medical attention is required, the employee should seek medical treatment at any San Diego County Sharp Rees-Steely or U.S. Health Works Medical Clinic. For out of the San Diego County area injuries, call Travelers at 1-800-287-9682 for referral to an authorized facility, or go to their website at www.mywcinfo.com and in the Additional Resources section click on the "Find a local network medical provider" link; to find an authorized treatment facility.

The employee must mention that the injury is work-related and that SDSU Research Foundation's workers' compensation carrier is The Hartford. Report the injury to human resources at (619) 594-1088 or (619) 594-4139 as soon as possible.

Ergonomics: Cal-OSHA requires employers to train injured employees on how to avoid repetitive motion disorders. Contact human resources for assistance with an ergonomic evaluation and training as necessary.

E. Important Policies

SDSU Research Foundation's human resources department assists employees, supervisors and PIs with a wide range of employee relations issues including areas such as affirmative action, reorganization, lay-offs, job restructuring, staff development, open door policy, and performance improvement plans. Any needs in the area of employee relations should immediately be brought to the attention of human resources.

The following information and policies are sent to employees on an annual basis:

1. Equal Employment Opportunity and Affirmative Action
2. Employment of Workers with Disabilities and Protected Veterans Policy Statement
3. Code of Ethics Policy
4. Conflicts of Interest Policy
5. Drug-Free Workplace Policy
6. Policy Against Unlawful Harassment
7. Workplace Security and Anti-Violence Policy
8. Annual Asbestos Notification
9. Required Notices Regarding Benefits
10. Requirements to Provide Training on the Federal and State False Claims Acts
11. Notice of Employees Rights to Organize and Bargain Collectively with their Employers

- 12. Password Policy
- 13. Information Assets Responsible Use Policy
- 14. Data Classification and Handling Policies
- 15. Auto Insurance & Use of Vehicles on Foundation Business
- 16. Safety Bulletin
- 17. Trafficking in Persons

Text of annual Jeanne Clery Act Safety and Security Report is available on SDSU's Police website at <http://www/police.sdsu.edu>.

F. Verification of Employment and Letters of Reference

From time to time, SDSU Research Foundation may receive inquiries from outside individuals regarding the status of an individual's employment. For example, we may receive calls from banks, credit agencies or prospective employers, asking whether an individual is employed with SDSU Research Foundation, the title of her/his current position with SDSU Research Foundation, salary, and why the employee may have left their employment. Employees should be aware that when human resources receives such inquiries, SDSU Research Foundation has a strict policy of providing only limited information. It is the policy of SDSU Research Foundation that salary information, records concerning performance and other personal information are treated confidentially. Consequently, no one other than human resources may provide any information regarding current or former employees to any non-employee without the specific written approval of human resources. This includes letters of reference. The only information human resources provides is an employee's dates of employment and position with SDSU Research Foundation. SDSU Research Foundation's strict policy prohibits revealing any information about why an employee may have left their employment.

G. Human Resources Records

All human resources records must be kept in the employee's human resources files maintained in human resources. Duplicate files should not be kept in departmental offices or project sites.

H. Lay-Off Due to Funding Changes

It is the responsibility of the supervisor or PI in consultation with human resources to decide which positions are most necessary for the continuation of a project that must operate within a reduced work scope or budget. The employee(s) filling the position(s) to be eliminated will be the individual(s) laid off. Human resources must approve all lay-offs.

I. Employee Separation Documentation

Whenever an employee's service is terminated for any reason, voluntarily or involuntarily (such as for lack of funds or lack of work), it is critical that human

resources be promptly notified in writing. The written notice should include the final day worked and the reason for separation. The completed time report must be submitted to Payroll in EmpCenter Time and Attendance at least two days before the employee's last workday in order to process the final paycheck.

J. Discipline and Discharge

SDSU Research Foundation has established guidelines concerning standards of conduct and work rules for the benefit and protection of the rights and safety of all employees and to assist in the orderly and productive operation of each department or project.

The inappropriate conduct or infractions of work rules listed below normally call for some form of disciplinary action. In some cases, the action may result in either verbal or written warnings or reprimand, followed by suspension and discharge if repeated. In other cases, the employee may be subject to immediate discharge. All disciplinary actions are at will and do not require prior notice. Only human resources has the legal authority to impose discipline such as suspension, demotion or discharge.

The types of misconduct or infractions identified below are merely examples of conduct that may lead to disciplinary action. They are not a complete list of all types of conduct that can result in disciplinary action, up to and including discharge.

The following violations are examples of actions, which normally result in immediate discharge without warning:

- obtaining employment based on false or misleading information
- falsifying information in, or making material omissions in, any documents or records
- deliberate or reckless action that causes actual or potential injury, loss, destruction or damage to SDSU Research Foundation or university property or supplies, or the property of another employee, or visitor
- theft or unauthorized removal from SDSU Research Foundation or university premises of property that belongs to or is in the possession of SDSU Research Foundation, the university, another employee, or a visitor
- threats of violence
- bringing or possessing firearms, weapons, or any other hazardous or dangerous devices on SDSU Research Foundation or university property without proper authorization
- absence of three (3) or more days without authorization from either the appropriate supervisor or human resources
- failure to return from an authorized leave of absence on the date such a leave ends
- dishonesty
- misuse of funds or property
- disclosure of confidential information
- falsifying or destroying any time-keeping record

- fighting or provoking a fight, threatening, intimidation or coercing any person on the job or on SDSU Research Foundation or university property
- working under the influence of alcohol, narcotics, illegal drugs or other intoxicants
- violation of the [Drug Free Workplace Policy](#) or *Alcohol Policy*;
- discrimination prohibited by law
- harassment; especially sexual, racial or other harassment prohibited by law, to include behavior or language offensive to others.

The violations listed below are examples of actions, which may result in immediate discharge, particularly if repeated or uncorrected, but would often, depending upon all pertinent facts and circumstances, result in other forms of disciplinary action:

- unsatisfactory job performance as defined by the cognizant supervisor
- failure or refusal to perform the normal and reasonable duties of the position as assigned by a supervisor, or failure or refusal to perform work in the manner described by a supervisor
- carelessness or negligence when performing duties
- lack of cooperation
- excessive or unauthorized absence from or tardiness to work
- abuse of lunch or break periods
- leaving one's job during working hours without obtaining permission from the appropriate supervisor
- working unauthorized overtime
- non-compliance or disregard of any established safety rule
- violation of any safety, health, or security policies, rules or procedures of SDSU Research Foundation or the university
- failure to follow SDSU Research Foundation policies as outlined in this guide or any newly instituted policies.

Disciplinary action against any SDSU Research Foundation employee may be recommended by a PI or supervisor; however, all such actions must be approved by human resources. Disciplinary action may include written warning, denial of a merit award, suspension, demotion, and dismissal.

If a warning is given, it normally begins with a verbal warning. Verbal warnings should be given in a private setting where they may not be overheard by the general public or the employee's co-workers. Documentation of warnings will normally include:

- the date conversation occurred
- the specific work-related reason for the warning
- the PI's statement of what change in behavior is expected and the specific action that must be taken by the employee to meet those expectations
- a specific follow-up date when the problem will be reviewed
- if written warning, the signatures of the PI and the employee.

If, after a reasonable length of time, there is no improvement or correction of the problem following appropriate verbal and/or written warnings, an employee may be suspended or dismissed by human resources.

SDSU Research Foundation reserves the absolute right to initiate the form of discipline it deems to be appropriate. Nothing in this policy alters SDSU Research Foundation's policy of at will employment. Either SDSU Research Foundation or an employee may terminate the employment relationship at any time for any reason.

K. Mandated Trainings

SDSU Research Foundation requires all employees and supervisors to participate in mandatory training courses.

All employees are provided with a username and password to access the online training modules. Training can be accessed anytime through Employee Gateway.

The following are course descriptions for mandatory training:

Workplace Diversity – Ethnic diversity is racial, national and religious variety of groups of people who have varying backgrounds or cultures. An awareness about different cultures and backgrounds helps bring unity and tolerance to the workplace or community.

Drug-Free Workplace – Drug abuse can have dangerous and costly effects in the workplace. This course highlights these impacts, and provides useful information about the different types of drugs that are commonly abused and how to evaluate each element and subsidiary component of a safety and health program.

Workplace Violence – Workplace violence has emerged as an important safety and health issue in today's workplace. Its most extreme form, homicide, is the fourth-leading cause of fatal occupational injury in the United States.

Death or injury should not be an inevitable result of one's chosen occupation, nor should these staggering figures be accepted as a cost of doing business in our society.

This training course has ten learning modules with a ten-question exam.

Sexual Harassment Awareness – Sexual harassment is a serious problem in the workplace. Victims of sexual harassment can suffer physical and emotional damage while companies can suffer financially from the negative publicity and litigation costs as well as from the loss of job productivity and deteriorated work environment for its employees.

This course has been designed to help prevent incidents of sexual harassment in the workplace as well as provide guidelines on what to do if such an incident occurs. It aims to help employees recognize the seriousness of violations or sexual harassment policy.

California state law requires at least two hours of sexual harassment training for all supervisory employees every two years and within six months of becoming a supervisor.

Ethics in the Workplace – In our ever changing society, ethics is something that must be a part of the working world, whether the setting is corporate, medical, educational, or governmental. This course focuses on ways to incorporate ethical principles into the workplace in order to create a more positive atmosphere for both employees and employers.

L. Open Door Policy

If an employee has a work-related problem, every effort should be made to resolve the problem with the employee's supervisor or PI. If not resolved, the issue may be referred to human resources.

M. Attendance

SDSU Research Foundation employees are expected to have regular attendance and to report to work in accordance with their established work schedule. Both PIs and department supervisors are dependent upon each employee's presence and punctuality in scheduling work and meeting deadlines.

1. Notification when Absences are Unavoidable

Employees unable to report to work or those who will be more than 30 minutes late must notify the appropriate supervisor as far in advance as possible. When reporting an absence, the employee should also state the date or time(s) he expects to return to work.

Absence for three consecutive days without notification or approval is considered a voluntary resignation.

2. Tardiness

Employees are expected to be ready to begin and end work on schedule. Arriving late or leaving earlier than the scheduled work times, breaks or meal periods must be approved in advance by the appropriate supervisor.

N. Safety

SDSU Research Foundation promotes safety conscious behavior to protect everyone engaged in SDSU Research Foundation business operations.

All employees are responsible for knowing and observing safety rules, to eliminate or reduce hazards, and for reporting unsafe conditions or practices. Everyone must be safety-conscious and immediately report unsafe acts or hazardous conditions to the appropriate supervisor. It is the policy of SDSU Research Foundation that employees may report unsafe acts or hazardous conditions without fear of reprisal. Further, employees may anonymously report unsafe acts or hazardous conditions by writing to SDSU Research Foundation human resources. Every effort will be made to remedy the problems as quickly as possible.

In order to provide a safe environment, SDSU Research Foundation complies with applicable municipal, county, state, federal and other laws, standards, ordinances and other regulatory requirements.

SDSU Research Foundation maintains an *Injury and Illness Prevention Program*, which includes a program of job-related safety training, monitoring of hazardous materials, building inspections, and injury review. In most cases, employees will receive on-the-job training from their supervisors. Employees will also be asked to attend safety presentations on various job-related topics. No employee should ever attempt to perform a job for which (s)he has not received adequate safety training. Employees are required to use any protective devices that are provided and are cautioned not to remove safety devices from tools or equipment. In cases where professional certification is required to perform job functions, the certification must be on file with human resources before the work is performed.

In case of an accident involving a personal injury, regardless of how trivial or how serious, it is important that the appropriate supervisor and human resources be notified immediately at (619) 594-1088 or (619) 594-4139. Failure to report accidents can result in a violation of legal requirements, and can lead to difficulties in processing insurance and benefit claims.

Employees injured on the job are, in most cases, entitled to benefits under workers' compensation.

O. Workplace Security and Anti-Violence

SDSU Research Foundation is committed to providing a violence-free workplace for its employees. Although some kinds of violence result from societal issues that are beyond our control, SDSU Research Foundation believes that it can adopt some measures that will increase security and protection for our employees. In order to accomplish this objective, the cooperation of all employees is required.

It is the policy of SDSU Research Foundation that acts and/or threats of violence against the life, health, well-being, family or property of individuals in the workplace or in connection with an employee's conduct of SDSU Research Foundation business by members of the public, other SDSU Research Foundation employees, or employees or students of the university will not be tolerated. Any such acts or threats by employees of SDSU Research Foundation toward others may be grounds for immediate dismissal from SDSU Research Foundation employment whether or not the employee making the threat intended to carry it out.

SDSU Research Foundation believes that employees may be better prepared to avoid or prevent violence if they are able to recognize early warning signs in advance and follow appropriate response procedures. Employees will therefore play a crucial role in the administration of this anti-violence policy.

1. Early Warning Signs

Employees should understand that certain risk factors and behavior patterns might offer early warning signs of violent conduct. Examples of such warning signs include the following:

- A history of threatening or violent behavior
- Paranoia or easily panicked behavior
- A fascination or preoccupation with weapons, particularly weapons or explosives that could be used for mass destruction, such as semi-automatic guns
- Extreme stress from personal problems or a life crisis
- Identifying with incidents of workplace violence reported in the media and either condoning or sympathizing with the actions of the individuals committing the violence
- Being a loner with little or no involvement with other employees
- Engaging in frequent disputes with supervisors or co-workers
- Persistent violation of company policy
- Obsessive involvement with one's job, particularly where it occurs with no apparent outside interest
- Volatile or violent home or other personal situation that has the potential to bring violence into the workplace.

If a supervisor or another employee becomes aware of risk factors and behavior patterns of the type described above, or any other appropriate warning signs, human resources should be contacted. Human resources will evaluate the matter and, where appropriate, provide the supervisor or employee with direction and assistance to deal with the situation. If outside assistance is needed, human resources will arrange for that assistance.

2. Threats of Violence

Every threat of violence is serious and must be treated as such. Threatening behavior can include such actions as:

- Throwing objects
- Making a verbal threat to harm another individual or destroy property
- Making menacing gestures
- Displaying an intense or obsessive romantic interest that exceeds the normal bounds of interpersonal interest
- Attempting to intimidate or harass other individuals
- Behavior indicating that the individual is significantly out of touch with reality and that he or she may pose a danger either to himself or herself or to others
- Volatile or violent personal situations.

Employees who become aware of any threats of workplace violence must report the threats immediately to their supervisor. The supervisor will, in turn, be responsible to notify human resources who will consult with the appropriate resources in order to complete an assessment of the incident and the surrounding circumstances.

3. Imminent Risk of Violence

If an employee becomes aware of any actual violence, imminent violence, or threat of imminent violence, obtaining emergency assistance must be a matter of first priority. The employee should immediately contact public safety or local law enforcement by dialing 911. Immediately after contacting the law enforcement authorities for emergency assistance, the employee must report the incident to his or her supervisor if the supervisor is available. The supervisor must then notify human resources immediately. If the supervisor is not immediately available, the employee should contact human resources at (619) 594-4139 immediately after contacting the law enforcement authorities. Employees may report any incidents of violence or threats of violence without fear of any reprisal of any kind.

P. Proprietary Information

During the course of employment, employees may develop or have access to proprietary information of SDSU Research Foundation. Proprietary information may include such items as ideas, plans, procedures, research, software, computer programs, formulas, patterns, methods, models, techniques, processes, specifications, strategies, bids or proposals, financial information, lists of customers, inventions or discoveries (whether patentable or unpatentable), projects, drawings, copyrights, copyright registrations, and copyrightable subject matter. All proprietary information, including that developed by an employee during the course of employment, is the sole property of SDSURF. Accordingly, in consideration of employment with SDSURF, employees agree to assign to SDSURF all worldwide rights, title and interest in and to such proprietary information, including all patent applications and patents which describe any such proprietary information. Employees will, upon request, execute and deliver all requested documents and do any and all things necessary and proper on their part to effect such assignment of rights to SDSURF in any such proprietary information.

Employees shall not remove any proprietary information from SDSURF's premises without the prior written consent of SDSURF's Executive Director or designee, nor may employees destroy or use proprietary information in any manner, which may directly or indirectly have an adverse effect on SDSURF. In consideration of employment with SDSURF employees shall not at any time during employment or for an indefinite period of time thereafter, use proprietary information of SDSURF to the employee's own advantage or disclose such proprietary information to any person, unless such disclosure is necessary for the performance of the employee's duties while employed by SDSURF. Furthermore, employees agree to promptly disclose to SDSURF, in writing, all inventions, improvements, ideas, discoveries, or designs conceived or first reduced to practice during the course of employment with SDURF. In connection with this agreement, employees agree to comply with the intellectual property policies and guidelines of the SDSURF, whether or not written in an employee manual or handbook, and further acknowledge and agree that such policies and guidelines are subject to change by the SDSURF from time to time at its sole discretion.

If the employment agreement is governed by California law, the assignment above does not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, including any idea or invention which is developed entirely on employee's own time without using SDSURF's equipment, supplies, facilities or trade secret information, and which is not related to SDSURF's business (actual or demonstrably anticipated), and which does not result from work performed for SDSURF.

Q. Employee Gateway

Employee Gateway is a secure, password protected, self-service online system that allows any SDSU Research Foundation employee access to view their personal and employment information on record with SDSU Research Foundation. The employee is the only person with access to their information.

This system allows employees to view and update their e-mail address and/or emergency contacts on record with SDSU Research Foundation. Additionally, the following personal and employment information dating back to 1994 is available:

- Benefits
- Deductions
- Sick balances and history
- Vacation balances and history
- Personal holiday balances and history
- Pay stubs
- Earnings history
- W-2 year end statements
- W-4 tax exemptions/allowances

Employee Gateway also serves employees by providing links to forms, resources and contact information. In order to access the system employees must request a temporary PIN. PIN requests can be made online. Please refer to the directions provided at the URLs below for more information on requesting a PIN and accessing Employee Gateway.

Requesting an Employee Gateway Temporary PIN

https://piprofile.sdsu.edu:4443/pls/emp_web/twbkwbis.P_WWWLogin.

Logging into Employee Gateway

https://piprofile.sdsu.edu:4443/pls/emp_web/twbkwbis.P_WWWLogin.

VII. PAYROLL

SDSU Research Foundation's payroll department provides payroll services for all SDSU Research Foundation employees. This includes projects, KPBS, College of Extended Studies, and The Campanile Foundation staff. Many of the payroll policies and procedures are required by federal and state regulations.

A. OASDI and Medicare Contributions

All wages earned by SDSU Research Foundation employees are subject to withholding and reporting of OASDI and Medicare taxes. Certain nonresident alien employees and student employees enrolled at least halftime at the university may be exempt. Both the employee and SDSU Research Foundation are required to contribute OASDI and Medicare taxes.

B. Federal Income Tax Withholding

The basis for withholding federal income tax is determined by the information supplied by the employee to SDSU Research Foundation on IRS Form [W-4](#), Employee's Withholding Allowance Certificate. This form may not be submitted by employees for a retroactive period and any change requested by the employee will be effective the next pay period after receipt of the W-4 in the payroll department. The effective date of this form is for an entire pay period based upon SDSU Research Foundation payroll deadlines.

1. Withholding Allowances

IRS Form [W-4](#) is used to claim the allowance(s) for self and spouse, dependents, blindness, ages, etc., which exempt portions or all of gross salary of an employee from both federal and state income tax withholding. The [W-4](#) is completed by each employee when hired and may be resubmitted at any time. The [W-4](#) may also be used to request additional federal and state income tax withholding over and above the normal deduction or to report exempt status for state income tax withholding purposes. If an employee does not complete a Form [W-4](#), federal and state income taxes will be withheld from the employee's salary at the single rate with zero allowances.

When requested by the IRS, Form [W-4](#) must be made available for inspection by an IRS employee. The IRS may also request copies of Forms [W-4](#) for one or more named employees. If the IRS later provides notice in writing that an employee(s) is not entitled to claim exemption from withholding or a claimed number of withholding allowances, federal income tax withholding will be based on the effective date and maximum number of withholding allowances specified in the notice. Variance from the notice will be in accordance with regulations outlined in IRS Publication 15, Employer's Tax Guide.

2. No-Tax-Liability Exemption from Withholding

An eligible employee may exclude his or her entire gross salary from federal and state income tax withholding by completing a Form [W-4](#) certifying that he or she had no income tax liability for the preceding year and anticipates none for the current year. This claim must be renewed each calendar year by February 15 or the employee's withholding status reverts to "single with zero allowances" on all earnings paid after February 15th or until the employee submits a new W-4 to the payroll department.

3. Earned Income Credit Eligibility Notification

The IRS requires employers to furnish employees who were employed at any time during the calendar year, and who did not have any income tax withheld during that year, with written notification that they may be eligible for the refundable earned income credit (EIC). SDSU Research Foundation satisfies this requirement by including the EIC notification, "Notice to Employee," on the back of the IRS Form W-2.

4. Withholding Method

SDSU Research Foundation uses the percentage method for withholding federal income tax for the computerized payroll computation. Supplemental wage payments such as commissions, retroactive wage increases, special payments, etc. are combined with regular wages in a single payment and taxed accordingly.

5. Form 1095-C, Employer-Provided Health Insurance Offer and Coverage Insurance

Benefited employees who work for one month or more in a calendar year will receive a Form 1095-C by March 31 to report the information about offers of health coverage and enrollment in health coverage. Form 1095C is used in determining eligibility for the federal premium tax credit.

C. California State Income Tax Withholding

The Employment Development Department (EDD) administers the withholding tax provisions applicable to all resident and nonresident employees. The California Employer's Guide published by EDD provides detailed guidance. Wages paid to California residents for services performed both within and outside the state are subject to state income tax withholding. Wages paid to nonresidents of California for services performed inside the state are subject to withholding for state income tax; only wages paid to nonresidents of California for services performed outside the state are exempt from withholding. California does not distinguish between U.S. citizens, U.S. residents, and nonresident aliens with respect to state income tax withholding.

Withholding Allowances

Although EDD Form [DE-4](#) (http://www.edd.ca.gov/pdf_pub_ctr/de4.pdf) is not required, an employee may use the form to request additional state tax to be withheld each pay period or to request additional allowances for estimated

deductions. Employees may modify their withholding status at any time during the year by filing a new Form [DE-4](#) or [W-4](#).

No-Tax-Liability Exemption from Withholding

In order to claim exemption from state income tax withholding, employees must submit a [W-4](#) or [DE-4](#) certifying that they did not have any federal tax liability for the preceding year and that they do not anticipate any tax liability for the current taxable year. The exempt status claim must be renewed each calendar year by February 15, or the employee's withholding status reverts to "single with no allowances" on all earnings paid after February 15th or until a new W-4 or DE-4 is prepared by the employee. If an employee expects to have a tax liability the following year, the employee is required by law to file a new Form [W-4](#) or [DE-4](#) by December 1.

Withholding Method

SDSU Research Foundation uses the percentage method for withholding state income tax for the computerized payroll computation. Supplemental wage payments such as commissions, retroactive wage increases, special payments, etc. are combined with regular wages in a single payment and taxed accordingly.

D. Out-of-State Income Tax Withholding

When a project hires an individual from another state to work in that state, the SR grant specialist is responsible for gathering the details of the job assignment and reporting them to human resources. Because SDSU Research Foundation employees working out-of-state are subject to state income taxes for the state in which they work, SDSU Research Foundation is responsible for the applicable withholding laws and remittance of the tax withheld, in addition to maintaining workers' compensation and unemployment insurance coverage when appropriate. The payroll supervisor works with each state to obtain and complete the necessary forms, obtain the appropriate signatures, and complete the registration of SDSU Research Foundation as a business entity. The payroll system is then updated to accommodate new state withholding tables, workers' compensation rates, and unemployment insurance rates.

E. Nonresident Aliens

SDSU Research Foundation is committed to ensuring full compliance with state and IRS withholding and reporting requirements related to nonresident alien employees. The payroll department uses Thomson Reuters ONESOURCE International Tax Navigation to help with the proper determination of U.S. tax residency, FICA tax withholding obligations, income tax withholding obligations, tax treaty benefits, and tax reporting obligations.

F. Payment Schedules

All SDSU Research Foundation employees are paid twice a month, usually on the tenth and twenty-fifth of the month. Work performed on or between the first and the fifteenth of the month is paid on the twenty-fifth. Work performed on or between the 16th and the last day of the month is paid on the tenth day of the following month.

Employees will be paid on the preceding workday if the 10th or the 25th of the month falls on a non-work day (such as a weekend or a paid holiday).

G. Release of Payroll Checks

Pay is generally distributed in the following manner:

The standard method of payment is by direct deposited via Electronic Funds Transfer (EFT) to an employee's bank account(s). Pay information is available to the employee via the online Employee Gateway module. A paper pay stub is not provided.

If an employee declines to be paid by direct deposit, a payroll check will be mailed via U.S. mail to the employee's address indicated on the personal data sheet.

H. Replacement Checks

When payroll checks are reported lost or stolen, the payroll department processes a stop payment with the bank and the check is reissued the next business day. If a check was never received by the employee, then he/she must wait five business days from the date the check was mailed for a reissue.

VIII. SAN DIEGO STATE UNIVERSITY POLICY ON MAINTENANCE OF INTEGRITY IN RESEARCH

This policy is located on the SDSU website and may be accessed by following this link;
<http://www-rohan.sdsu.edu/~facaff/documents/upf.pdf>

IX. SALES AND USE TAX GUIDE

This guide is located on the SDSU Research Foundation website and may be accessed
by following this link: http://www.foundation.sdsu.edu/pdf/ap_sales_use_tax_guide.pdf

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