



## Research Policy Handbook

Effective November 1, 2021

## Table of Contents

1. Conduct of Research .....	12
1.1 Principles Concerning Research .....	12
1.1.1. Introduction .....	12
1.1.2. Research Principles .....	12
1.2 Authority of the Vice President and Dean of Research, Office of Research .....	13
1.3 Overview of Rights and Responsibilities in the Conduct of Research.....	13
1.3.2. Rights of Faculty Members .....	13
1.3.3. Responsibilities of Faculty to Staff and Students.....	14
1.3.4. Health and Safety.....	14
1.3.5. Responsibilities to Sponsors .....	14
1.3.6. Other Responsibilities .....	15
1.4. Grievance Procedures .....	16
1.5 Openness in Research .....	16
1.5.1. Secrecy and Openness in Research.....	16
1.5.2. Research that may Require Secrecy.....	17
1.6 On Academic Authorship .....	17
1.6.1. In General.....	18
1.6.2 Multi-Authored Research Papers.....	19
1.7 Research Misconduct: Policy on Allegations, Investigations, and Reporting .....	20
1.7.1. Introduction .....	20
1.7.2. Applicability.....	21
1.7.3. Definitions .....	21
1.7.4. Federal Funding Agency Requirements .....	22
1.7.5. Individual Reporting Responsibility .....	22
1.7.6. Procedure for School Dean's Review .....	23
1.7.7. Internal Coordination/Reports to the Dean of Research.....	25
1.7.8. Notification to External Agencies.....	26
1.7.9. Determination of Discipline .....	28
1.7.10. Cautions and Assistance.....	29
1.8 Nondiscrimination in Research Agreements .....	29
1.8.1. Introduction .....	30

1.8.2. Provisions for Exceptions in Regard to Citizenship .....	30
1.9 Retention of and Access to Research Data .....	32
1.9.1. Introduction .....	32
1.9.2. Definition .....	32
1.9.3. Applicability.....	32
1.9.4. Ownership.....	33
1.9.5. Collection and Retention .....	33
1.9.6. Access.....	34
1.9.7. Transfer in the Event a Researcher Leaves CIHS.....	34
2. Principal Investigatorship.....	34
2.1 Principal Investigator Eligibility and Criteria for Exceptions .....	34
2.1.1. Principal Investigator Eligibility Policy .....	34
2.1.2. Exceptions .....	35
2.1.3. Project Designations Other Than Principal Investigator.....	37
2.2 Acting Principal Investigatorship.....	38
2.2.1. Eligibility .....	38
3. Fiscal Responsibilities of Principal Investigators.....	38
3.1 Preparation and Submission of Proposal Budgets.....	38
3.1.1. Responsibilities of the PI.....	38
3.1.2. Allowability.....	39
3.1.3. Cost Sharing .....	39
3.1.4. Commitment of Effort.....	40
3.1.5. Estimating Methods .....	41
3.1.6. Budget Justifications .....	41
3.2 Management of Project Expenditures .....	41
3.2.1. Principal Investigator Responsibilities .....	41
3.2.2. Authorization of Direct Charges.....	42
3.2.3. CIHS Base Salary.....	42
3.2.4. Review of Project Expenditures .....	43
3.2.5. Quarterly Review and Certification of Project Expenditures.....	43
3.2.6. Charging Vacation to Projects.....	44
3.2.7. Charging Proposal Expenses to Ongoing Projects.....	44
3.2.8. Monitoring of Funds within Sponsor Funding Limitations.....	44

3.2.9. Overdrafts .....	45
3.2.10. No Cost Time Extensions.....	45
3.2.11. Project Closeout.....	46
3.3 Sponsor Notifications and Prior Approvals - Principal Investigator Responsibilities.....	46
3.4 PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications.....	47
3.4.1. Introduction .....	47
3.4.2. PHS Investigator Disclosures [1] .....	47
3.4.3. NSF Investigator Disclosures [2].....	52
3.4.4. Attachment A: Evaluation of Financial Interests.....	53
4. Reserved.....	55
5. Human Subjects in Research.....	55
5.1 Human Research Protection Program .....	55
5.1.1. Introduction .....	55
5.1.2. Authority and Responsibility.....	55
5.1.3. Participating Organizations.....	55
5.1.4. Human Research Protection Program Policies (HRPP) .....	55
5.1.5. Compliance and Monitoring .....	56
5.1.6. Role of the IRBS.....	56
5.1.7. Training Concerning the HRPP .....	56
5.1.8. Non-compliance .....	56
5.1.9. Sanctions .....	56
5.1.10. Information and Reporting .....	57
5.2 Use of Human Subjects in Student Projects, Pilot Studies, Oral Histories and QA/QI Projects.....	57
5.2.1. Introduction .....	57
5.2.2. Student Projects.....	57
5.2.3. Pilot Studies not Leading to Generalized Knowledge .....	58
5.2.4. Oral History .....	59
5.2.5. Quality Assurance or Quality Improvement Projects .....	59
5.3 Use of Employees or Laboratory Personnel as Research Subjects .....	59
5.4 Guidelines for Studies Involving Human Volunteers Receiving Potentially Addicting Drugs .....	60
5.4.1. Introduction .....	60
5.4.2. Informed Consent .....	60
5.4.3. Exclusion of Subjects with a History of Addiction.....	60

5.4.4. Exclusion of Subjects with Direct Access to the Class of Addicting Drug Under Study.....	61
5.5 Training in the Protection of Human Subjects in Research .....	62
5.5.1. Policy .....	62
5.5.2. Applicability.....	62
5.5.3. Implementation .....	62
5.5.4. Good Clinical Practice (GCP) Training Requirement .....	63
6. Laboratory Animals in Research .....	64
6.1 Animal Welfare Assurance of Compliance.....	64
6.2 Use of Vertebrate Animals in Teaching Activities.....	64
6.2.1. Instructional Use .....	64
6.2.2. Information to Students.....	65
6.2.3. Procedures for Use of Animals.....	65
6.3 Responsibilities for the Humane Care and Use of Laboratory Animals.....	65
6.3.1. Introduction .....	66
6.3.2. Authority and Responsibility for Ensuring Compliance .....	66
6.4 Transport, Care, and Use of Non-CIHS Owned Laboratory Animals on the CIHS Campus .....	67
6.4.1. Introduction .....	67
6.4.2. Procedures .....	67
7 Laser Safety .....	68
7.1. Principal Investigator Accountability .....	68
7.2. Budget for Laser Safety Expenses .....	69
7.3. Guidance for Safe Operation .....	69
8. Export Controls .....	69
8.1 Applicability and Policy Background, and Regulatory Authority .....	69
8.1.1. Applicability.....	69
8.1.2. Policy Background.....	69
8.1.3. Regulatory Authority.....	70
8.2 Definitions .....	71
8.2.1. Definitions.....	71
8.3 Export Licenses for Overseas Shipments .....	73
8.4 Accepting a Third Party's Export Controlled Items or Information .....	74
8.5 Export Controls and CIHS' Openness in Research Policy .....	74

8.6 Export Controls and an Individual's Eligibility as a Recipient of Export Controlled Items, Software Code, or Information .....	75
8.7 Recordkeeping Requirements.....	75
9. Intellectual Property .....	76
9.1 Inventions, Patents, and Licensing.....	76
9.1.1. Patent Policy .....	76
9.1.2. Administrative Procedures.....	77
9.1.3. Licensing.....	78
9.1.4. Background .....	79
9.2 Copyright Policy .....	80
9.2.1. Introduction .....	80
9.2.2. General Policy Statement .....	81
9.2.3. Explanations of Terms.....	83
9.2.4. Policy Concerning Online Instruction.....	84
9.2.5. Externally Obtained or Licensed Instruction.....	85
9.3 Administration of Copyright Policy .....	85
9.3.1. Determinations of Ownership and Policy in Unclear Cases.....	85
9.3.2. Licensing and Income Sharing.....	85
9.3.3. Use of the Institute Name in Copyright Notices .....	86
9.3.4. Copying of Works Owned by Others.....	86
9.3.5. Sponsored Agreements.....	87
9.3.6. General Advice and Assistance .....	87
9.4 Tangible Research Property .....	87
9.4.1. Introduction .....	87
9.4.2. Definition of Tangible Research Property (TRP) .....	87
9.4.3. Ownership of TRP.....	88
9.4.4. Control of TRP .....	89
9.4.5. Income From TRP .....	90
9.4.6. Purpose of the TRP Procedures .....	90
9.4.7. Identification of TRP.....	90
9.4.8. Distribution of TRP for Research Purposes .....	91
9.4.9. Distribution of TRP for Commercial Purposes .....	92
9.5 Other Intellectual Property: Trademarks, Patents and Proprietary Information .....	92

9.5.1. Trade and Service Marks.....	93
9.5.2. Patents .....	93
9.5.3. Proprietary Information .....	93
9.5.4. Tangible Research Property .....	93
10. Establishing and Managing Independent Laboratories, Institutes and Centers.....	93
10.1 Establishing and Managing Independent Laboratories, Institutes and Centers.....	93
10.1.1. Introduction .....	94
10.1.2. Definitions .....	94
10.1.3. Rationale and Impact .....	94
10.1.4. Procedures .....	95
11. Definitions and Types of Agreements.....	95
11.1 Gift vs. Sponsored Projects and Distinctions from Other Forms of Funding .....	95
11.1.1. Introduction .....	95
11.1.2. Definition of Sponsored Projects .....	96
11.1.3. Definition of Gifts.....	97
11.1.4. Definitions of Fellowships, Scholarships and Other Student Aid.....	97
11.1.5. Implementation and Administrative Issues .....	98
11.1.6. Attachment A. Job aid for Determining Whether Funding is a Gift or Support for a Sponsored Project.....	100
11.1.7. Attachment B. Checklist for Determining Whether Funding is a Postdoctoral Fellowship or a Sponsored Project.....	101
11.1.8. Attachment C. Conditions of Gift Letter .....	103
11.2 Categories of Sponsored Projects .....	105
11.2.1. General Categories of Sponsored Projects .....	105
11.2.2. Definitions .....	105
11.2.3. Accounting .....	108
11.3 Specialized Categories of Sponsored Projects .....	109
11.3.1. Industry-Sponsored Clinical Trials.....	109
11.3.2. Research Participation Agreement .....	110
11.3.3. Beta Test Site Agreements.....	110
11.3.4. Equipment Loan Agreements .....	110
11.3.5. Material Transfer Agreements.....	110
11.3.6. Industrial Collaboration Agreements.....	110
11.4 Research Participation Agreements.....	111

11.4.1. Background and Purpose .....	111
11.4.2. Definitions .....	111
11.4.3. Policy Statement .....	111
11.4.4. Approval Process.....	112
11.4.5. Procedure after Blanket Approval Has Been Established .....	113
11.4.6. Applicability.....	113
12. Sponsored Project Proposals .....	113
12.1 Preparation, Review, and Submission of Sponsored Project Proposals .....	113
12.1.1. Applicability.....	114
12.1.2. Submitting Proposals .....	114
12.2 Academic Policies Pertaining to Sponsored Project Proposals.....	116
12.2.1. Principal Investigator Eligibility.....	116
12.2.2. Educational Component .....	116
12.2.3. Presence at CIHS .....	116
12.2.4. Rights and Safeguards.....	117
12.3 Institute Commitments Pertaining to Sponsored Project Proposals.....	117
12.3.1. Committed Level of Effort.....	117
12.3.2. Space .....	117
12.3.3. Cost Sharing .....	118
12.3.4. Subawards.....	118
12.3.5. Use of Consultants .....	118
12.3.6. Facilities and Administration/Indirect Costs.....	118
12.3.7. Tuition .....	118
12.3.8. Advice and Assistance.....	119
13. Financial Aspects of Sponsored Projects Administration .....	119
13.1 Facilities and Administrative (Indirect Cost) and Fringe Benefits Rates .....	119
13.1.1. Introduction .....	119
13.1.2. Application of On- and Off-Campus Facilities & Administrative Rates.....	119
13.1.3. Modified Total Direct Costs (MTDC) .....	120
13.1.4. Fringe Benefit Rates .....	121
13.2 Indirect (F&A) Cost Waivers.....	121
13.2.1. Applicability.....	122
13.2.2. Roles and Responsibilities.....	122



13.2.3. Waivers .....	122
13.2.4. Pre-Approved Exceptions.....	122
13.2.5. Case-by-Case Exceptions.....	122
13.3 Cost Sharing Policy .....	123
13.3.1. Definitions .....	123
13.3.2. The Cost Sharing Commitment .....	124
13.3.3. Expenditures Eligible for Cost Sharing .....	125
13.3.4. Expenditures Not Eligible for Cost Sharing .....	126
13.3.5. Source of Funds for Cost-Shared Expenditures .....	127
13.3.6. Overdrafts .....	127
13.3.7. Reduction in Cost Sharing .....	127
13.3.8. Reporting Cost Sharing.....	127
13.3.9. Cost Sharing Implementation Guidelines .....	127
13.4 Charging for Administrative and Technical Expenses .....	134
13.4.1. Overview .....	134
13.4.2. Applicability.....	134
13.4.3. Uniform Guidance Implementation.....	134
13.4.4. OMB Circular A-21 Implementation .....	137
13.5 Salary Cap Administration.....	142
13.5.1. Introduction .....	142
13.5.2. Applicability.....	142
13.5.3. NIH Salary Caps .....	142
13.5.4. Definitions .....	142
13.5.5. Procedure — National Institutes of Health.....	143
13.5.6. Procedure — Department of Defense .....	143
13.5.7. Responsibilities .....	143
13.6 Student Salaries Charged to Sponsored Projects.....	144
13.6.1. Overview .....	144
13.6.2. NSF Exception .....	145
13.7 Cost Transfer Policy for Sponsored Projects.....	145
13.7.1. Definition of Cost Transfer .....	145
13.7.2. Cost Transfer Procedure .....	145
13.7.3. Applicability.....	146

13.7.4. Requirements Related to Cost Transfers .....	146
13.8 Program Income.....	150
13.8.1. Definition .....	150
13.8.2. What Is Included in Program Income.....	150
13.8.3. What Is Not Included in Program Income.....	150
13.8.4. Federal Contracts .....	150
13.8.5. Non-Federal and State of California Awards .....	150
13.8.6. Equipment.....	151
14. Subawards.....	151
14.1 Definitions and Classifications .....	151
14.1.1. Definitions.....	151
14.1.2. Distinguishing between a Subaward and a Procurement Action .....	152
14.1.3. Resolution of Disagreements Regarding the Proper Classification of Costs.....	154
14.1.4. Post Issuance Changes in Status From Procurement Action to Subaward.....	154
14.2 Proposing a Subaward .....	155
14.2.1. Determining the Need for a Subaward.....	155
14.2.2. Selection of a Subrecipient .....	155
14.2.3. Required Elements to Include in a Subaward Proposal.....	156
14.2.4. Special Circumstances.....	156
14.2.5. Applying Facilities & Administrative (Indirect Cost) Rates to Subawards.....	157
14.3 Issuance of a Subaward .....	157
14.3.1. Authorization for Subrecipient to Begin Work .....	157
14.3.2. Subawards Periods of Performance and Duration .....	158
14.3.3. Subaward Funding Mechanisms .....	158
14.3.4. Initiating aSubward After the Proposal is Submitted .....	159
14.4 Subrecipient Monitoring .....	159
14.4.1. Purchased or Fabricated Equipment on Subawards.....	159
14.4.2. Subrecipient Audit Requirements.....	159
14.4.3. Risk Analysis .....	160
14.4.4. Corrective Action Plans and Sanctions.....	161
14.4.5. Principal Investigator Monitoring Responsibilities (Assisted by their Departmental Administrators) .....	161
14.5 Closeout of Subawards .....	163

14.5.1. Close-Out Procedure .....	163
14.5.2. Final Invoice .....	164
15. Property Management.....	164
15.1 Control of Property .....	164
15.1.1. Introduction .....	164
15.1.2. Responsibilities for Sponsor-Funded/Owned Property .....	164
Acknowledgements.....	166

# **1. Conduct of Research**

## **1.1 Principles Concerning Research**

Presents broad principles to guide the research enterprise and assure the integrity of scholarly inquiry at California Institute for Human Science.

### **1.1.1. Introduction**

Academic research has grown increasingly complex and more complicated to manage over the years. As a research institute, academic research is part of the core mission at California Institute for Human Science. Research is conducted by students, faculty, staff, and in some cases other affiliated people. It might also be conducted with other partner organizations and involve a variety of funding mechanisms.

The role of principal investigator (“PI”) has the ultimate responsibility for overseeing a research project. This includes compliance with funding mechanism (“award”) terms and conditions, federal, state and local regulations, and Institute policies. This publication provides an overview of the policies and regulations that govern conducting research at California Institute for Human Science so that you can better understand your role and responsibilities within the Institute’s research environment.

The Office of Research’s goal is to assist PIs and their support staff in avoiding common pitfalls in conducting research, receiving and administering awards, and related so that they, the Institute, and the wider world can receive the full value and benefit from their research and striving to advance knowledge, the development of coming scholars, and serve the wider world.

### **1.1.2. Research Principles**

California Institute for Human Science hereby affirms the following principles concerning research:

- Scholars should be free to select the subject matter of their research, free to seek support for their work, and free to form their own conclusions and findings. These conclusions and findings should be made available for scrutiny, commentary, and criticism as required by the CIHS’ Policy on Openness in Research.
- Professional ethics pertaining to the health, safety, privacy, and other personal rights of human beings or to the infliction of injury or pain on animals should be observed in all research.

- The Institute should foster an environment friendly and helpful to research. Because of limited resources the CIHS cannot support all research demands. Accordingly, the Institute should allocate resources for research based on the scholarly and educational merit of the research being proposed.

While these principles outline the Institute's role, the researcher's personal responsibility is also important to consider. All researchers associated with California Institute for Human Science should use their best personal judgement and the highest ethical standards when conducting research.

## **1.2 Authority of the Dean of Research, Office of Research**

The Dean of Research has been delegated the authority and responsibility to establish, maintain, and oversee all policies and research at California Institute for Human Science by the President of the Institute.

The Dean of Research may at his or her discretion provide exemptions or individual modifications to any policy in this handbook on a case-by-case basis.

The Dean of Research may delegate such duties as s/he deems appropriate regarding the research policy, administration, and oversight at California Institute for Human Science.

All research at California Institute for Human Science is under the authority of the Office of Research, which is lead by the Dean of Research.

## **1.3 Overview of Rights and Responsibilities in the Conduct of Research**

This section covers CIHS' policies and practices as they relate to research, including the obligations to students, staff, and sponsors.

### **1.3.2. Rights of Faculty Members**

Research and research publication are important facets of the responsibility for all scholars at California Institute for Human Science, including its faculty members. Faculty at CIHS enjoy academic freedom in pursuing research. Faculty have the right to disseminate the findings and conclusions of their research within the confines specified in the policy on Openness in Research. Faculty also have the right to engage in external consulting activities, subject to CIHS', and in some cases their School or Department's,

limitations. It's important that faculty adhere to both the spirit and the letter of the policy.

### **1.3.3. Responsibilities of Faculty to Staff and Students**

Faculty members must be aware of their obligations to staff and students working as part of the research team. It is particularly important that at least annually, each faculty member should review intellectual and tangible property rights and responsibilities (for management of data in all media, for proper authorship attribution, etc.), with all members of the group under his or her direction, including staff, students, postdocs, and visiting scholars. Each member has the right to know who is sponsoring the research and supporting his or her salary or stipend (if any).

On an individual level, the best interests of each staff member and student should be of particular concern. The Institute is committed to demonstrate support and appreciation for its staff. To that end, faculty members are encouraged to provide staff development opportunities and, if possible, a mentor relationship for those in their group.

### **1.3.4. Health and Safety**

Each faculty member is responsible for training members of his or her team in appropriate health and safety procedures for that particular research area, and for management of those procedures in his or her laboratory or other workplace. PIs are also responsible to assure the periodic inspection of lab facilities, and to cooperate in any inspections by CIHS personnel, external agencies, and others approved by the Institute.

### **1.3.5. Responsibilities to Sponsors**

#### **A. Fiscal Obligations**

Although the legal agreement funding a sponsored project is between the sponsor and the California Institute for Human Science Board of Trustees, the overall responsibility for management of a sponsored project within funding limitations rests with the PI. Funds must be expended within the restrictions of the contract or grant, and if any overdraft should occur, it is the responsibility of the PI to clear the overdraft by transferring charges to an appropriate account.

#### **B. Equipment Control**

The control of both CIHS and Government-owned equipment as well as equipment owned by other parties that is used in research is mandatory under CIHS' externally sponsored contracts and grants as well as under Institute policy. PIs are responsible for securing necessary approvals for the purchase of the equipment, proper tagging, inventory, utilization of equipment and disposal once equipment becomes excess.

### **C. Proposal Preparation**

The cost of proposal preparation activities in support of new directions in research may not be charged to sponsored projects. department chairs and school deans must ensure that non-sponsored project funds are available to offset the portion of the investigator's and his or her staff's salaries from sponsored projects for effort spent preparing proposals to support new directions in research. The cost of proposal preparation efforts for continuing research is appropriately charged to current projects. Also, should there be questions on which direct costs are subject to indirect costs as proposal budgets are prepared, please refer to the more detailed sections of this research policy handbook.

### **D. Certification of Salaries and Expenses to Sponsored Projects**

Sponsored project and cost sharing accounts must be reviewed and certified by the PI quarterly. It is the responsibility of each department chair and school dean to see that a system is in place to ensure that the PIs in their areas fulfill the requirement for review and certification of salaries and other expenditures, and to assure that salaries charged to sponsored projects correspond to effort expended on those projects, within the appropriate limitation for their school.

### **E. Technical and Invention Reports**

Principal Investigators are responsible for submitting sponsor-required reports through the Office of Research (OoR) on a timely basis. The reports must be sent directly to your project monitor, with a copy to OoR at the same time so that contract and grant files are complete.

### **F. Patents, Copyrights, and Other Intellectual Property**

All participating researchers, including postdocs, students, and visiting scholars, must adhere to CIHS' policy on patents, copyrights, and other intellectual property contained within this policy manual.

## **1.3.6. Other Responsibilities**

### **A. Conflict of Interest**

The key to CIHS' policy pertaining to conflict of interest is the trust in the integrity of the individual faculty member to disclose any situation that could lead to real or apparent conflict of interest. CIHS policy requires an annual certification of compliance and disclosure of potentially conflicting relationships. In addition, situations which arise during the year in which outside obligations have the potential for conflict with the faculty member's allegiance and responsibility to the Institute require a prompt ad hoc disclosure.

### **B. Research Protocols**

Faculty members also need to ensure that approved research protocols for the use of human and animal subjects in research are obtained and followed.

## **1.4. Grievance Procedures**

Decisions by faculty members and administrators should comply with the standards of academic freedom. These procedures are internal to the Institute and are aimed at preserving confidentiality and academic integrity while protecting the rights of individual faculty members. This procedure outlines the administrative remedies for faculty grievances covered by parallel rights established under applicable federal and state laws (such as Civil Rights Acts).

If any faculty member feels aggrieved by a decision that he or she believes to be in violation of the Institute's policy on academic freedom, he or she may file a grievance in writing to the President of the Institute. Only the person who is directly aggrieved and who holds a faculty position shall have standing to complain.

## **1.5 Openness in Research**

This section conveys CIHS' commitment to openness in research; it defines and prohibits secrecy, including limitations on publishability of results; and it specifies certain provisions that are acceptable under this policy.

### **1.5.1. Secrecy and Openness in Research**

The principle of openness in research, namely the principle of freedom of access by all interested persons to the underlying data, processes, and to the final results of research is of critical importance. Whenever possible, no program of research that requires secrecy shall be conducted at California Institute for Human Science, subject to the provisions set forth in this policy handbook.

A research program should be regarded as requiring secrecy:

- If any part of the sponsoring or granting documents that establish the project is not freely publishable
- If there is a reasonable basis for expectation that any documents to be generated in the course of the research project will be subjected by an outside sponsor to restrictions on publication for a period in excess of that reasonably required (more than 90 days) so that the sponsor can ascertain whether information he or she is entitled to have treated as confidential would be disclosed by publication
- If access will be required in the course of the project to confidential data so centrally related to the research that a member of the research group who was not privy to the confidential data would be unable to participate fully in all of the intellectually significant portions of the project



## **1.5.2. Research that may Require Secrecy**

### **A. Living Human Beings**

In a program of research involving a living human being, reasonable provision may be made to protect the rights of that individual to privacy.

### **B. National Security Controls**

In a program of research that deals with classified or sensitive governmental information, reasonable provision may be made to protect such information.

### **C. Publication Delays**

In a program of sponsored research, provision may be made in the contractual agreement between CIHS and the sponsor for a delay in the publication of research results. Generally such delays should not exceed 90 days and be done for purposes of filing patents, sponsor review of manuscripts, approval processes at other organizations participating in the research, and so on. When it is in the best interests of the research, the Dean of Research may approve contractual arrangements that could lead to longer publication delays. Requests for the Dean to approve such contractual arrangements should include: the rationale for the request, a description of who will have authority over publication decisions, and a statement of the provisions that will allow the investigator to publish within a defined period of time, regardless of other considerations.

Under no circumstances should a faculty member engage a student or trainee in a project governed by an extended publication delay agreement or contractual arrangement that could present a barrier to the timely submission of the student's thesis or dissertation or to the publication of a trainee's work.

### **D. Confidentiality**

If, in a program of research, an outside person or entity has made available to the investigator confidential information, provision may be made to preserve confidentiality.

### **E. Private Papers, Documents, Diaries or Analogous Materials**

If, in a program of research, private papers, documents, diaries or analogous materials have been provided to the investigator, provision may be made to preserve the confidentiality of those materials.

## **1.6 On Academic Authorship**

Presents a systematic discussion of two related issues: first, the allocation of responsibility and credit for scholarly work; and second, those forces that are pushing toward a level of complexity in the conduct of research at which it becomes difficult to determine responsibility of authorship.

### **1.6.1. In General**

Matters of authorship, attribution, and acknowledgment have become more complex; responsibility for work in which a researcher is less personally involved has become more common; and the customs prevailing in different fields have diverged. The scholarly incentives for claiming credit have increased.

Traditionally, appropriate standards in these matters have been determined by the individuals involved, based upon traditions that have grown up in the profession as a whole and in the separate fields. The complexity of the current research environment has made this increasingly problematic.

Here are some general guidelines:

1. In many cases research and training are closely related and often interpenetrating functions. In a very real sense, students (from undergraduates to postdocs) undertake an apprenticeship with faculty.
2. Research is often performed for the benefit of multiple parties, possibly including the person supervising the research, other researchers involved, a research supervisor or lab director, a school or department, the Institute itself, the discipline, and even the wider world.
3. The modern research environment can be very complicated. It can be difficult to attribute a percentage of contribution to each person who works on the research.
4. There are a variety of views on how to attribute research contributions for publication. This ranges from only a single credit for the principle investigator, research supervisor, lab director, or similar (usually with acknowledgements in the article for contributors) to shared credit for everyone who participated in the research. In some instances a threshold of research participation is used to determine which researchers will and will not be credited as co-authors.
5. It is often difficult to trace the source of the ideas and insights that research projects originate from. Sometimes by the time a project completes, the original idea that spawned it is no longer relevant.
6. In some projects, a key skill is required by a member of the research team for the successful completion of the project. This skill may only be needed for a very short time versus the amount of time and effort that other researchers put into the project.

7. Specific academic disciplines often have conventions on co-authorship.
8. Multiple publications can come from a single project, with the same or different authors. This can bring up issues of who and what can publish first, who must consent, and so on.
9. For material that is unpublished but authored by more than one person, it is generally accepted that any co-author can refer to it, even at length, in a separate work sole or joint authorship. In such cases joint origin must be acknowledged, and generally co-authors should be consulted and reasonable requests by them honored. It is important that publication by the co-author not block publication of the joint unpublished work.
10. Faculty members are generally responsible for the scholarly conduct of staff and students involved in their research enterprises.
11. Co-authors who have done minimum work on the work product, are still viewed as responsible for the overall quality of the data and its analysis. If questions arise later about the accuracy or integrity of the paper, arguments by co-authors that they were less involved or did not fully understand the paper they claimed to be an author of are generally not accepted.
12. Each coauthor of a work is accountable for its authenticity and quality. Shared credit should entail shared responsibility. There should be a tight coupling between authorship and responsibility. A good practice for co-authorship is the degree to which a co-author can present and defend the paper as a whole at a scientific symposium.
13. An individual's place in the list of authors of a work may or may not be a meaningful signal about the degree of contribution: in some fields the authorship sequence is rich in meaning, elsewhere it may be entirely empty. For example, in some disciplines there is a tradition that places the chief of the laboratory last regardless of the relative weight of contribution, and at least one leading journal requires the alphabetical listing of authors.

These complexities underscore the importance of establishing sound principles for determining coauthorship and provide further reason for extreme care by faculty members.

### **1.6.2 Multi-Authored Research Papers**

Today research teams often involve multiple investigators. These scenarios differ considerably from individual research or faculty/graduate student research teams that are the norm at CIHS. In particular, the former often consist of colleagues from different disciplines who perform different, specialized functions. It is possible for participants to

have little knowledge or understanding of parts of the work performed by their colleagues. Sometimes, there is no single person who understands all the research.

With this in mind, California Institute for Human Science has drawn up the following guidelines for scholarly manuscripts derived from multi-investigator research. We have endeavored to keep these simple and fundamental. As a consequence, the guidelines appear applicable to all scholarly collaborations in which multiple authorship is anticipated.

1. Principal investigators and senior faculty have special responsibilities to assure the overall cohesiveness and validity of the publications on which they appear as coauthors.
2. All authors in a group effort have a shared responsibility for the published result and should have the opportunity to review all sample preparation procedures and data, as well as all data acquisition and analysis procedures.
3. Each author in a group effort should have access to the manuscript prior to its being submitted for publication, and should agree to his or her inclusion as a coauthor.
4. All the participants in the research should know that the paper is being prepared for publication.
5. Early in the project, each research group should define appropriate practices for the maintenance of data.

## **1.7 Research Misconduct: Policy on Allegations, Investigations, and Reporting**

Presents procedures for reporting and investigating allegations of research misconduct, and for the required notifications to federal agencies of such allegations and investigations.

### **1.7.1. Introduction**

Each member of the Institute community has a responsibility to foster an environment which promotes intellectual honesty and integrity, and which does not tolerate misconduct in any aspect of research or scholarly endeavor.

Research misconduct is extremely troubling because when it occurs, it is very destructive of the standards we attempt to instill in our students, of the esteem in which academic science in general is held by the public, and of the financial support of the government and other sponsors for academic research. The importance of integrity in research cannot be overemphasized.

### **1.7.2. Applicability**

CIHS' definition of research misconduct, and procedures for investigating and reporting allegations of misconduct, conform to the definitions and regulations of those federal funding agencies that have policies on this subject. CIHS policy is applicable to:

1. research proposed, conducted or reported at CIHS by California Institute for Human Science-related individuals, i.e., those with an appointment or official affiliation with California Institute for Human Science, including but not limited to faculty, academic staff, students, postdoctoral scholars, visiting scholars who make significant use of Institute research resources (including participation in any sponsored project awarded to California Institute for Human Science), and those with any other California Institute for Human Science teaching and/or research titles such as adjunct.
2. research proposed, conducted or reported elsewhere by such California Institute for Human Science-related individuals as part of their California Institute for Human Science-related duties or activities; and
3. at the discretion of the Institute, to research proposed, conducted or reported where such research is claimed, cited or implied to have been done at CIHS, or where a CIHS appointment or official affiliation is claimed, cited or implied in connection with the research.

### **1.7.3. Definitions**

#### **A. Research Misconduct**

"Research misconduct" is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results.

- Fabrication means making up data or results, and recording or reporting them.
- Falsification means manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.
- Plagiarism means the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.
- Research misconduct does not include honest error or honest differences in interpretations or judgments of data.

A finding of research misconduct requires that:

- there is a significant departure from accepted practices of the relevant research community

- the misconduct is committed intentionally, or knowingly, or recklessly
- the allegation is proven by a preponderance of the evidence. (California Institute for Human Science's disciplinary procedures may establish a different standard of proof for disciplinary actions.)

This policy addresses only research misconduct. It does not relate to reckless disregard for accuracy, failure to supervise adequately, and other lapses from professional conduct or neglect of academic duties. These may be covered by other Institute policies. Findings (pursuant to this research misconduct procedure) of serious academic deficiencies in proposing, conducting or reporting research - but not constituting research misconduct - are to be addressed by the cognizant dean, or by initiating the relevant disciplinary process, as appropriate. Allegations or suspicions of misconduct outside the scope of this policy should be referred for investigation to the cognizant dean or vice president; the process of investigation and reporting obligations may differ from those required for research misconduct cases.

## **B. Inquiry**

An inquiry consists of preliminary information-gathering and preliminary fact-finding to determine whether an allegation or an apparent instance of misconduct has substance. The outcome of an inquiry is a determination as to whether or not an investigation is to be conducted.

## **C. Investigation**

An investigation is a formal examination and evaluation of relevant facts to determine whether or not misconduct has taken place.

### **1.7.4. Federal Funding Agency Requirements**

Some federal funding agencies have their own policies regarding research misconduct, and require notification to the agency in the event of such an allegation or investigation. Where required, this notification will be made by the Dean of Research.

While federal funding agencies recognize that the primary responsibility for the prevention and detection of misconduct, and for the conduct of inquiries and investigations, rests with the awarded institution, a number of agencies have retained the right to initiate their own investigations at any time.

### **1.7.5. Individual Reporting Responsibility**

Any individual who believes an act of research misconduct has occurred or is occurring should notify the dean of the appropriate school, who, after preliminary assessment indicating grounds to proceed, should immediately begin an inquiry and so inform the Dean of Research, who acts on behalf of the President. Reporting such concerns in good faith is a service to the Institute and to the larger academic community, and will not

jeopardize anyone's employment. California Institute for Human Science prohibits retaliation of any kind against a person who, acting in good faith, reports or provides information about suspected or alleged misconduct.

### **1.7.6. Procedure for School Dean's Review**

At present, some schools at CIHS have deans, others do not. Some only have department or program chairs who report to the Dean of Faculty. For purposes of this research policy handbook, the Dean of Faculty will be considered the dean of all schools who do not have a designated dean, and be considered a "school dean."

The dean's review of an allegation of research misconduct and, if called for, the inquiry and investigation may be carried out personally or through such standing or ad hoc arrangements as each dean deems best.

The processes described below should be carried out in a manner that is thorough, competent, objective, fair and appropriately protective of the confidentiality and reputations of all participants. Such assessments, inquiries and investigations should be coordinated with the office of the Dean of Research to assure that they are carried out in conformance with applicable regulations (if any) in cases where the research is funded by a federal agency.

#### **A. Preliminary Assessment**

Upon receipt of an allegation, the school dean should assess the information presented to determine whether it constitutes alleged research misconduct as defined by this policy, and whether the allegation is sufficiently credible and specific so that potential evidence of research misconduct may be identified. If both of these criteria are met, the school dean shall immediately begin an inquiry and shall so inform the Dean of Research, identifying any outside funding source(s) for the research that is the subject of the allegation.

#### **B. Inquiry**

An inquiry is to determine whether a formal investigation is warranted, and will be guided by the following:

1. As noted above, the school dean shall identify any outside funding source(s) for the research that is the subject of the inquiry.
2. Those conducting such inquiries or investigations are promptly to take all reasonable and practical steps to obtain custody of the research records and/or evidence needed to conduct the misconduct proceeding, inventory the records and evidence, and sequester them in an appropriate manner.
3. At the time of, or before the beginning of an inquiry, the accused individual (hereafter "the respondent") shall be informed of the allegations, and be invited to

comment on them. The respondent shall also be provided with a copy of the draft report of the inquiry, and be given an opportunity to comment on the findings for the consideration of those conducting the inquiry. In so doing, best efforts shall be made (where feasible) to protect the confidence of the individual(s) who brought forward the complaint (hereafter "the complainant(s)").

4. Other relevant individuals, including the complainant(s), if known, should be interviewed.
5. The final report, including a recommendation as to whether or not a full investigation is warranted, is to be submitted by the school dean to the Dean of Research within 60 days of receipt of the allegation. (If this time frame is not possible in a particular case, the reasons are to be documented and the Dean of Research so informed.) The final report shall include any comments provided by the respondent in response to the draft report.
6. The documentation should include sufficient detail to permit a later assessment of the determination of whether or not a full investigation was warranted. It should describe the information reviewed, include a summary of the interviews conducted, state conclusions reached, and indicate whether or not the school dean believes an investigation is warranted.
7. The final report of the inquiry and a copy of the documentation are to be transmitted to the Dean of Research and maintained in the school for seven years.
8. The Dean of Research will review the final copy of the inquiry, and determine if further investigation is required. If so, the Dean of Research will initiate the appropriate inquiry.

### **C. Investigation Procedures**

If the inquiry leads to the conclusion that an investigation is warranted, it will be guided by the following considerations:

1. The formal investigation should begin within 30 days of the completion of the inquiry and after written notice to the respondent. The investigation is to be completed and the final report sent to the Dean of Research within 90 days (from the start of an investigation). If an investigation cannot be completed within this time frame, the Dean of Research should be notified as soon as possible. In such cases, it may be necessary for the Dean of Research to request an extension of time from federal funding agencies.
2. An investigation should normally include an examination of the relevant documentation, including but not limited to relevant research data and proposals, publications, correspondence, and memoranda of telephone calls.
3. Complainants, respondents, and witnesses who may have information related to the matter should be interviewed. Complete written summaries of each interview should be provided to the individual being questioned, and any comments should be appended to the summary, or reflected in a revised summary if the interviewer



agrees. The summaries must be retained by the school dean.

4. All significant issues should be pursued until the investigator is reasonably certain that he or she has amassed all necessary and appropriate information.
5. A draft written report of findings shall be made available to the respondent with the opportunity to provide comments for the consideration of those conducting the investigation. Where identified and appropriate, complainants should also receive the portions of the draft report which concern the role or opinions they had in the investigation. Any comments on the draft from the respondent (and from the complainants, if applicable) shall be appended to the final report. NOTE: If there is more than one respondent, and their involvements are found not to be identical, separate draft reports should be prepared if practical, in order to preserve confidentiality.
6. In addition to the interview summaries and comments by the respondent and complainant(s) (if applicable) on the draft report, the final written report should include:
  - a. a description of the policies and procedures followed,
  - b. how and from whom relevant information was obtained, and
  - c. the findings and basis for them.
7. If either the school dean or the Dean of Research considers that sanctions may be warranted, the Dean of Research shall refer the final report to the Institute President for final decision. The report should be sufficient for the President to determine whether disciplinary action is called for. In the event of a conflict of interest involving the President, the Dean of Research will be responsible for the final disciplinary decision. Any and all sanctions should be appended to the final report.

#### **1.7.7. Internal Coordination/Reports to the Dean of Research**

In order to assure compliance with external notification requirements, school deans must report the following circumstances to the Dean of Research in a timely manner:

- commencement of an inquiry
- conclusion of an inquiry
- commencement of an investigation
- consultation if an investigation will take more than 90 days to complete
- conclusion of an investigation

If termination of an inquiry or investigation before its completion is contemplated for any reason, this should be reported and discussed with the Dean of Research.

In addition, the Dean of Research is to be advised at once if any of the following circumstances is discovered:

- an immediate health hazard, including to human or animal research subjects
- an immediate need to protect federal or Institute funds or equipment
- an immediate need to protect the integrity of the research and/or the research misconduct proceeding
- an immediate need to protect the interests of those involved in the research misconduct proceeding
- likelihood that an alleged incident will be reported publicly
- a reasonable indication of a possible criminal violation

In emergency situations, deans are authorized to take all appropriate actions, including notifying external agencies directly, if conference with the Dean of Research is not possible in a timely manner. The Dean of Research is also authorized to take all appropriate actions.

The dean shall also take interim action as necessary to protect federal funds and the purposes of the federal grant or contract that may be involved. Such action is administrative and not disciplinary. The school dean shall inform the Dean of Research of such actions.

If, during an investigation, facts come to light that could affect current or potential funding of the people under investigation, or that may, in the dean's judgment, need to be disclosed in order to ensure proper use of research funds or protection of the public interest, these facts should be reported to the Dean of Research as they are learned.

#### **1.7.8. Notification to External Agencies**

California Institute for Human Science will comply with the applicable requirements and regulations of its funding agencies, and will cooperate with those agencies in the agencies' own procedures in regard to research misconduct. In any particular situation, school deans are advised to review current regulations and requirements, and to consult with the Dean of Research.

Under circumstances not involving federal funding agencies, the President will make the decision whether information about the charges and their disposition will be disclosed publicly or to specific parties, including the research sponsor. This decision will normally be made upon the conclusion of the final report. However, if required by urgent circumstances, such a disclosure may be made at any time. The President may consult with the Board of Trustees to the extent feasible and appropriate in such cases. Absent such urgent need, CIHS will not make interim reports to outside agencies unless required by external regulation.

In accord with the requirements of federal funding agencies, in cases involving research funded by those agencies, the agency will be informed in the following situations. Except as specifically described at the end of this section, the following notifications to federal funding agencies will be made only by the Dean of Research, acting on behalf of the President, and on the basis of the information provided by the school dean:

**1. Outcome of an Inquiry**

Federal funding agencies will be notified of the outcome of an inquiry involving funds from their agency only if that outcome includes the recommendation to conduct a full investigation. (Documentation from inquiries, even those that do not recommend further investigation, will be made available by the Dean of Research upon an agency's request.)

**2. Commencement of an Investigation**

Written notification will be provided to federal funding agencies upon determination that an investigation will be conducted. This notice is to be provided on or before the commencement of the investigation, and must include all information required by the agency. Generally, this notice must include at least the following: name(s) and position(s) of the respondent(s); general nature of the allegation(s); the agency support including any proposal or award numbers; the basis for the recommendation of an investigation; any comments by the respondent. This information will be held in confidence to the extent permitted by law.

**3. Written Request for a Time Extension**

Although regulations generally permit 120 days for completion of the investigation and submission of the final report, CIHS requires deans to consult with the Dean of Research if it appears that the final report will take more than 90 days to complete. This allows 30 days for the disciplinary process, if it is decided to pursue one. The final report to the federal funding agency must include a statement about the sanction (if any) imposed by the institution. If the investigation and determination of discipline are likely to take more time than specified by the relevant funding agency's regulations to complete, the Dean of Research will so notify the federal funding agency, including reasons for the delay, interim progress reports, the estimated date of completion of the report, and any other necessary information. If an extension is granted, the agency may (if so provided by its regulations) require the submission of periodic interim reports, or the agency may undertake its own investigation prior to the Institute's completion of its investigation.

**4. Interim Reports**

Federal funding agencies must be apprised during an investigation of facts that may affect current or potential funding of the individual(s) under investigation, or that may need to be disclosed in order to ensure proper use of federal funds or protection of the public interest.

## **5. Early Termination**

Federal funding agencies must be notified of any decision to terminate an inquiry or investigation prior to the completion of all relevant requirements. This notice must include the reasons for such action. Some agencies have retained the right to investigate the matter further on their own.

## **6. Final Outcome**

Federal funding agencies will be notified of the final outcome of an investigation involving their funded project(s), and provided with a complete copy of the final report.

## **7. Special Emergency Notifications**

In addition, federal funding agencies will be informed at any stage of an inquiry or investigation if any of the following is discovered:

- a. an immediate health hazard, including an immediate need to protect human or animal subjects
- b. an immediate need to protect federal or Institute funds or equipment
- c. an immediate need to protect the integrity of the research and/or the research misconduct proceeding
- d. an immediate need to protect the interests of those involved in the research misconduct proceeding
- e. a likelihood that an alleged incident is going to be reported publicly
- f. a reasonable indication of possible criminal activity

In special emergency circumstances as defined above, the school dean should attempt to reach the Dean of Research (by phone if necessary; in writing, if possible). However, each dean is authorized to make such reports directly to the agency, and to so inform the Dean of Research afterwards, if, in the judgment of the dean, such action is necessary.

### **1.7.9. Determination of Discipline**

The determination as to whether discipline is to be imposed is governed by existing Institute policies, overseen and decided upon by the Institute President. In the event of a conflict of interest involving the President, determination of discipline will be made by the Dean of Research. In the event such discipline involves the Institute President, the determination of discipline will be made by the Board of Trustees. As noted above, serious academic deficiencies not constituting research misconduct are to be addressed by the relevant school dean, or by initiating the relevant disciplinary process as appropriate.

Federal funding agencies have retained the right to impose additional sanctions, beyond those applied by the institution, upon investigators or institutions, if they deem such action appropriate in situations involving funding from their respective agencies; such agencies may also have standards of proof that differ from those used in CIHS' disciplinary proceedings.

In addition, in cases where research misconduct is found, the school dean and/or the Dean of Research may take all other appropriate actions (including the correction of the public record) as deemed necessary and advisable to address the consequences of the research misconduct.

### **1.7.10. Cautions and Assistance**

The gathering and assessing of information in cases of alleged research misconduct can be extremely difficult. It is essential to protect the professional reputations of those involved, as well as the interests of the public and of any who might be harmed by the alleged misconduct. In the course of conducting inquiries or investigations, the following provisions are applicable:

- Expert assistance should be sought as necessary to conduct a thorough and authoritative evaluation of all evidence.
- Precautions should be taken to avoid unresolved personal, professional or financial conflicts of interest on the part of those involved in the inquiry or investigation.
- The anonymity of respondents and, if they wish it, the confidentiality of complainants shall be protected (where feasible), and care shall be taken to protect the positions and reputations of those involved in the research (including research subjects) and in the research misconduct proceeding from harm (including retaliation). Except as required in the reporting provisions above, only those directly involved in an inquiry or investigation or with a need to know should be aware that the process is being conducted or have any access to information obtained during its course. Where appropriate, efforts will be made to restore the reputations of the respondent(s) when allegations are not confirmed.

Because this policy is designed primarily to protect the integrity of the public research record, instances of alleged research misconduct by students in practicum-type courses, and in coursework and classroom activities, may in many cases be better addressed through student honor code or other procedures, rather than through the procedures of this policy. Such determination of applicability or non-applicability will be made in light of the particular facts and circumstances of a student's case by the Dean of Research.

## **1.8 Nondiscrimination in Research Agreements**

California Institute for Human Science does not engage in research agreements which permit discrimination on the basis of any characteristic protected by law.

### **1.8.1. Introduction**

California Institute for Human Science does not discriminate on the basis of race, religious creed, color, national origin, ancestry, physical, or mental disability, medical condition, marital status, sex, age, sexual orientation, gender identity, veteran status, or any other characteristic protected by law, in its research agreements. CIHS also prohibits discrimination for any of these reasons in the admission of students, and in the administration of its educational policies and programs.

### **1.8.2. Provisions for Exceptions in Regard to Citizenship**

In the following circumstances, where and to the extent permitted by applicable law and consistent with the principle stated above, an exception to this policy may be considered in regard to citizenship restrictions.

#### **A. Citizenship Restrictions Established by Training Grants, Scholarships or Fellowships**

The US Government has established funding mechanisms as a primary means of supporting graduate and postdoctoral research training to help ensure that a diverse and highly trained workforce is available to assume leadership roles related to the nation's research agenda. Typically, these funding mechanisms include training grants, fellowships, and scholarships within particular disciplines with the restriction that students to be supported by these funds must be US citizens (or permanent residents). In addition, other organizations, including foreign governments, may provide support in the form of scholarships or fellowships to students meeting certain citizenship requirements.

Several differences should be noted between the funding being described in this category and research project funding.

1. Although they may focus on particular disciplines, training grants, scholarships and fellowships do not require the accomplishment of specific research Statements of Work. Their purpose is the training and support of student researchers, as opposed to the accomplishment of technical objectives. These awards may be considered as a form of financial aid to the individuals being supported.
2. Unlike students funded to work on research projects, the students funded on training grants, scholarships, or fellowships are not paid a salary as student employees. Rather, their support is provided typically through the payment of a stipend to help meet living expenses, and the direct payment of some or all of the student's tuition and fees.

California Institute for Human Science may, in general and without prior review and approval beyond normal process, submit proposals for, and accept the award

of such training grants, scholarships, and fellowships in support of the education of its students.

#### **B. Citizenship Restrictions for "Early Career" Type Awards**

Similar to the training awards described above, several Federal agencies award financial support for the explicit purpose of advancing the development within certain disciplines of individuals at the early stages of their academic careers. Typically such awards are limited to individuals within a certain period of time from the receipt of a doctoral degree or an initial academic appointment. They are awarded to support the individual, rather than to accomplish a specified Statement of Work. As with training grants, some such awards are limited to US citizens or permanent residents.

California Institute for Human Science may, in general and without prior review and approval beyond normal process, submit proposals for, and accept the award of such "Young Faculty", "Young Investigator", or "Early Career"-type awards. Acceptance of such an award does not limit the recipient's ability to conduct his or her research program in compliance with California Institute for Human Science policies.

#### **C. Citizenship Restrictions in Foreign-Sponsored Research Agreements**

If a sponsoring country restricts entry of citizens of other nations into its country, the Principal Investigator should try to organize the research project and the Institute should try to draw up the agreement in such ways as to eliminate or reduce as far as practicable the discriminatory effect of those restrictions on participating CIHS personnel.

In such cases, the Office of Research (OoR) managed by the Dean of Research will review the proposed research agreement for purposes of assessing any discriminatory impact. If, in its judgment, the proposed agreement would have a potentially significant discriminatory impact on CIHS personnel because of restrictions on travel by CIHS employees or students into the sponsoring country as part of the research activity, OoR will refer the proposal to the Dean of Research to determine whether the proposed research agreement will be accepted.

#### **D. Citizenship Restrictions Imposed by Export Control or Other Regulations**

In rare circumstances, the conduct of research may require that a member of the research group must meet certain citizenship requirements in order to obtain or have access to certain proprietary or US Government-restricted information, where that information is subject to security classification, export control, or other regulatory restrictions. Such information or access may be accepted only to the extent that the provisions of CIHS' Openness in Research policy are met.

#### **E. Other Circumstances**

In the rare event that (consistent with applicable law and with the principle of freedom of access to and participation in research) other circumstances arise in which a Principal Investigator wishes to request an exception to the nondiscrimination policy defined here in regard to citizenship, that request shall be sent for review and preliminary approval to the faculty member's school dean, and shall then be forwarded to the Dean of Research for his or her determination.

## **1.9 Retention of and Access to Research Data**

Establishes Institute policy to assure that research data is appropriately recorded, archived for a reasonable period of time, and available for review under the appropriate circumstances.

### **1.9.1. Introduction**

Accurate and appropriate research records are an essential component of any research project. Both the Institute and the PI have responsibilities and rights concerning access to, use of, and maintenance of original research data.

Except where precluded by the specific terms of sponsorship or other agreements, tangible research property, including the scientific data and other records of research conducted under the auspices of California Institute for Human Science, belongs to CIHS. The PI is responsible for the maintenance and retention of research data in accord with this policy.

### **1.9.2. Definition**

Research data include laboratory notebooks, as well as any other records that are necessary for the reconstruction and evaluation of reported results of research and the events and processes leading to those results, regardless of the form or the media on which they may be recorded. CIHS must retain research data in sufficient detail and for an adequate period of time to enable appropriate responses to questions about accuracy, authenticity, primacy, and compliance with laws and regulations governing the conduct of the research. It is the responsibility of the PI to determine what needs to be retained under this policy.

### **1.9.3. Applicability**

This policy shall apply to all California Institute for Human Science faculty, staff, students and any other persons at CIHS involved in the design, conduct or reporting of research at or under the auspices of CIHS, and it shall apply to all research projects on which those individuals work, regardless of the source of funding for the project.



Where research is funded by a contract with CIHS that includes specific provision(s) regarding ownership, retention of and access to technical data, the provision(s) of that agreement will supersede this policy.

#### **1.9.4. Ownership**

The Institute's ownership and stewardship of the scientific record for projects conducted at the Institute, under the auspices of the Institute, or with Institute resources are based on both Federal regulation and sound management principles. CIHS' responsibilities include but are not limited to:

- complying with the terms of sponsored project agreements
- ensuring the appropriate use of animals, human subjects, recombinant DNA, etiological agents, radioactive materials, and the like
- protecting the rights of students, postdoctoral scholars, and staff, including, but not limited to, their rights to access to data from research in which they participated
- securing intellectual property rights
- facilitating the investigation of charges, such as scientific misconduct or conflict of interest

#### **1.9.5. Collection and Retention**

The PI is responsible for the collection, management and retention of research data. PIs should adopt an orderly system of data organization and should communicate the chosen system to all members of a research group and to the appropriate administrative personnel, where applicable. Particularly for long-term research projects, PIs should establish and maintain procedures for the protection of essential records in the event of a natural disaster or other emergency.

Research data must be archived for a minimum of three years after the final project close-out, with original data retained longer wherever possible. In addition, any of the following circumstances may justify longer periods of retention:

1. Data must be kept for as long as may be necessary to protect any intellectual property resulting from the work.
2. If any charges regarding the research arise, such as allegations of scientific misconduct or conflict of interest, data must be retained until such charges are fully resolved.
3. If a student is involved, data must be retained at least until the degree is awarded or it is clear that the student has abandoned the work.

Beyond the period of retention specified here, the destruction of the research record is at the discretion of the PI and his or her department or laboratory.

Records will normally be retained in the unit where they are produced. Research records must be retained on the CIHS campus, or in facilities under the auspices of California Institute for Human Science, unless specific permission to do otherwise is granted by the Dean of Research.

### **1.9.6. Access**

Where necessary to assure needed and appropriate access, the Institute has the option to take custody of the data in a manner specified by the Dean of Research.

### **1.9.7. Transfer in the Event a Researcher Leaves CIHS**

When individuals involved in research projects at CIHS leave the Institute, they may take copies of research data for projects on which they have worked. Original data, however, must be retained at CIHS by the PI.

If a PI leaves CIHS, and a project is to be moved to another institution, the data may be transferred with the approval of the Dean of Research, and with written agreement from the PI's new institution that guarantees: 1) its acceptance of custodial responsibilities for the data, and 2) CIHS access to the data, should that become necessary.

## **2. Principal Investigatorship**

### **2.1 Principal Investigator Eligibility and Criteria for Exceptions**

Establishes the policy that principal investigatorship or co-principal investigatorship on externally funded projects is limited to members of the faculty, with specific exceptions.

#### **2.1.1. Principal Investigator Eligibility Policy**

Eligibility to act as a principal investigator (PI) or co-principal investigator (Co-PI) on externally funded projects is a privilege limited to members of the faculty. This policy limitation is in place because PIs are responsible for determining the intellectual direction of the research and scholarship, and for the training of graduate students.

The designation of "PI" or "Co-PI" for any member of the Academic Staff, or other individual who is not a member of the faculty, requires specific approval by the relevant

department chair, school dean and, in some cases, the Dean of Research, as described below.

### **2.1.2. Exceptions**

There are three kinds of exceptions to the PI eligibility policy. The first and second deal with those situations in which exceptions may be granted by the department chair, and school dean if all of the prescribed conditions are in place. The third category of exception represents all other situations which require the approval of the department chair, school dean, and Dean of Research.

#### **A. Exceptions Subject to the Approval of the Department Chair and School Dean**

Requests for PI eligibility for researchers who are not members of the faculty (e.g., Academic Staff members, Postdoctoral Scholars, Instructors or other researchers) in the following situations may be made on a case-by-case basis by the relevant member of the faculty who has oversight responsibility for the proposed PI.

Such requests are subject to the written approval of the department chair and cognizant dean. (In those cases where the proposals arise from areas outside a school dean's jurisdiction, the Dean of Research will act as the equivalent of the school dean in approving such requests.) The approval of the department chair and the dean shall not be pro forma, but shall take into account the academic quality of the proposal, the qualifications of the proposed PI, and the relevance and importance of the proposal to other activities of the Institute. Such requests will be made only for a particular project with a specified project period. Documentation of the chair and dean's approval must accompany proposals submitted to the Office of Research.

##### [1. Conferences, Exhibits, Workshops or Public Events](#)

Researchers who are not members of the faculty may be approved to serve as PIs on externally sponsored projects whose sole purpose is to fund short conferences, exhibits, workshops, or other public events of a character appropriate to the Institute.

##### [2. Specific Projects Which Are Part of Large Interdisciplinary Programs](#)

Researchers who are not members of the faculty may be approved to serve as PIs on projects within the scope of a large interdisciplinary program. For this purpose a "large interdisciplinary program" is defined as a research program which: a) is directed by a member of the faculty, b) has an expected duration beyond the involvement of any individual faculty participant, c) has more than one faculty member involved, and d) requires expertise in more than one discipline or technical area. All of the following conditions must be met in order for the department chair and school dean to approve PI exceptions in such cases:

1. The proposed project must be a demonstrably important component of the success of the overall interdisciplinary program, as defined above

2. No incremental space will be required for the project
3. For each graduate student participating on the project, a qualified faculty member has been identified to assure that the student's research program and the education derived from it are consistent with the degree for which the student is a candidate
4. Exceptions approved under this provision will be reported to the Dean of Research.

### 3. Career Development Awards

Researchers who are not members of the faculty may be approved to serve as PIs on a class of projects generically referred to as Career Development Awards, whose stated purpose is to advance the individual's scientific career. Such petitions may be approved if the project is to be carried out under the mentorship of an established faculty investigator who is named in the proposal, and if the project can be conducted within the overall intellectual scope and laboratory space of the faculty mentor. Typically in these cases the awards cover only the individual's salary and incidental expenses, but not incremental staff or students.

### 4. Pending Appointments for New Faculty

Faculty whose appointment start date is in the future may apply for proposals through CIHS provided the project period start date is not prior to the appointment start date and the appointment has been approved by the President. In addition, an award cannot be accepted until the member's appointment has begun.

## **B. Exceptions for Approved Centers and Laboratories**

The Directors of CIHS approved academic centers and laboratories are responsible both for the administration and operation of their centers or laboratories and for academic matters arising from them as an affiliated academic unit.

Non-faculty associated with approved academic centers and laboratories can serve as PI's, subject to the approval of their Director. PI appointments are subject to the following conditions:

1. The proposed research must be judged by their Director to be programmatically relevant to center or laboratory's mission. Proposals that are not deemed to be consistent with the mission will not be approved.
2. A member of the faculty or dean must serve as mentor for any CIHS graduate students or postdoctoral scholars involved in the proposed research.
3. The research must be conducted in accord with the Institute's policies concerning the conduct of research.

## **C. Rare Exceptions Subject to the Approval of the Department Chair, School Dean and Dean of Research**

In addition to the foregoing, rare exceptions to the PI eligibility policy may be made at the discretion of the Dean of Research in unusual and non-recurring situations that meet a particular need or opportunity for the Institute. Such requests will be considered only for a specific project with a specific project period. Examples of rare exceptions include are: proposals submitted by visiting faculty members and other senior visitors for a limited period of time; proposals submitted by a faculty candidate selected by a department but not yet approved by the President; permission for administrators to submit proposals in support of a project in their area; special cases of sponsored instruction; and situations where a faculty investigator ceases to be available and it is necessary for the proposed PI to oversee an orderly phase out of a project.

Requests for such exceptions can be made directly or by a member of the faculty on behalf of the proposed PI. Such requests are subject to the approval of the Dean of Research.

### **2.1.3. Project Designations Other Than Principal Investigator**

Establishment of project teams is the Principal Investigator's responsibility. In this regard, the PI will consider such factors as project requirements, sponsor guidelines related to key project personnel, and the qualifications and contributions of participating researchers, among other factors. California Institute for Human Science considers co-principal investigators (Co-PIs) to be equivalent to principal investigators in all regards; eligibility for co-principal investigator status is therefore the same as for principal investigator status, as defined in this policy. Other project designations are at the discretion of the Principal Investigator, and may include, for example:

#### **A. Associate Investigators**

In circumstances where this designation would be consistent with sponsor guidelines, the PI may designate members of the Academic Staff-Teaching (AS-T, Lecturers and Sr. Lecturers), Academic Staff-Research (AS-R, Research Associates and Sr. Research Scientists, Sr. Research Engineers, and Sr. Research Scholars), Academic Staff - Libraries (Assistant Librarians, Associate Librarians, Librarians, Senior Librarians), Postdoctoral Scholars, Instructors or other researchers as "Associate Investigators" on sponsored projects.

#### **B. Co-Investigators**

Senior members of the Academic Staff-Research (Sr. Research Scientists, Sr. Research Engineers, and Sr. Research Scholars) and senior members of the Academic Staff - Libraries (Librarians or Senior Librarians) may also be designated by their faculty supervisors as "Co-Investigators" on those externally-funded projects in which such senior Academic staff members (Research or Libraries) carry substantial project leadership roles. It is not expected that this designation will normally be used for Postdoctoral Scholars, Instructors or other researchers, although such designation may

be used in cases where the researcher is performing in such a role and the designation is allowed by the sponsor.

## **2.2 Acting Principal Investigatorship**

Establishes the policy that acting principal investigatorship is subject to the same criteria for eligibility as regular PIship.

### **2.2.1. Eligibility**

Responsibilities for the intellectual direction of our externally sponsored teaching and research activities must rest with the faculty and may not be delegated to others, even on a temporary basis, without prior approval. Acting PIship is subject to the same criteria for eligibility as outlined in PI Eligibility and Criteria for Exceptions.

If the PI of an on-going sponsored project will not be engaged in the project for a period of three months or more, another faculty member must be named as Acting PI to assume direction of the project, subject to the approval of the sponsoring agency.

## **3. Fiscal Responsibilities of Principal Investigators**

### **3.1 Preparation and Submission of Proposal Budgets**

Summarizes some of the obligations imposed on Principal Investigators by law and by CIHS policy. Establishes guidelines for the preparation and submission of proposed budgets, including consideration of allowability, cost sharing, commitment of effort, and estimating methods.

#### **3.1.1. Responsibilities of the PI**

At CIHS, the Principal Investigator (PI) has overall responsibility for the technical and fiscal management of a sponsored project. This includes the management of the project within funding limitations, adherence to reporting requirements and assurance that the sponsor will be notified when significant conditions related to project status change. This document addresses specific responsibilities concerned with the financial management of sponsored projects. While responsibility for the day-to-day management of project finances may be delegated to administrative or other staff,

accountability for compliance with CIHS policy and sponsor requirements ultimately rests with the PI.

In proposing budgets for sponsored projects, the PI assures CIHS and the potential sponsor that project finances are represented as accurately as possible. In addition, specific requirements, including cost principles as defined by the federal government in §200 of the Uniform Guidance, and consistency requirements as imposed by the federal Cost Accounting Standards (CAS) Board, must be adhered to at the proposal stage, as well as when funds are expended.

California Institute for Human Science requires all Principal Investigators including those receiving Institute Research awards to review their obligations for stewardship of sponsor funds and compliance with applicable regulations.

### **3.1.2. Allowability**

Proposals should not include expenses which the federal government (in the Uniform Guidance or other regulations) or the sponsor has identified as unallowable. Similarly, expenses which are to be considered as indirect expenses, e.g., certain types of office supplies and clerical salaries, may not be proposed and budgeted as direct expenses, unless they meet the criteria defined in the Charging for Administrative and Technical Expenses section of this handbook.

### **3.1.3. Cost Sharing**

When a PI proposes, and the Institute agrees to cost share Institute resources, the Institute is required to provide the stated resources in the performance of the awarded project. Considering the administrative requirements and responsibilities inherent in the cost sharing commitment, the PI (or other person responsible for the identified fund) should carefully weigh the cost effectiveness versus the expected benefits of each potential cost sharing commitment. Cost sharing of direct expenditures represents a redirection of departmental or school resources from teaching or other departmental and school activities to support sponsored agreements.

Implicit in the Institute's commitment to cost share is the PI's agreement to ensure that:

1. Voluntary cost sharing is permitted by the particular sponsor and project for which it is being proposed and that funds are available for cost shared direct costs.
2. He/She understands that unless specified in both the Federal awarding agency regulations and in a notice of funding opportunity, voluntary cost sharing is not expected by Federal sponsors and cannot be used as a factor during the merit review of proposals.
3. Cost shared expenses are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

4. Cost shared expenses will be appropriately charged, tracked, reviewed, certified and accounted for in compliance with Institute and sponsor requirements.
5. Institute space is coded in the Institute's space inventory system, consistent with the coding of expenditures in the accounting system.

The PI will review and certify these expenditures in the same manner as all sponsored project spending. The tracking, reporting, and certifying of cost sharing are subject to audit.

#### **A. Federal Agency Guidelines on Cost Sharing**

According to the Uniform Guidance (effective 12/26/14), cost sharing may not be a factor in the review process unless it is both in accordance with Federal awarding agency regulations and specified in the notice of funding opportunity.

#### **B. NSF Guidelines on Cost Sharing**

The National Science Foundation prohibits the inclusion of voluntary committed cost in proposal budgets. Cost sharing will only be allowed when explicitly authorized by the NSF Director and included in specific program announcements.

### **3.1.4. Commitment of Effort**

California Institute for Human Science requires a commitment of effort on the part of the PI during the period in which the work is being performed. This effort may be expended during the academic year, summer quarter only, or both. Committed effort shall be direct charged or cost shared.

The requirement of PI effort does NOT extend to:

- equipment grants
- seed grants for students/postdocs where the faculty mentor is named as PI, dissertation support, training grants or other awards intended as "student augmentation"
- limited-purpose awards characterized by CIHS as Other Sponsored Activities, including travel grants, conference support, etc. (see Categories of Sponsored Projects for definition and further examples.)

In preparing proposals, PIs must not over commit themselves or others. Distribution of effort must take into account the time required for teaching and campus citizenship.

Individual schools and programs may have their own thresholds for how much FTE faculty members must reserve for non-research activities. Research-only faculty on 12-month appointments may typically charge up to 95% to sponsored projects year round.



PIs may submit proposals on the assumption that not all will be awarded, but, at the time of award, a reasonable representation of time to be devoted to the project, whether that effort will be paid for by the sponsor or by CIHS, is necessary. Subsequent changes in levels of effort may also require advance notification to and approval by sponsors (see Special Requirements Related to Sponsor Notifications and Prior Approvals).

### **3.1.5. Estimating Methods**

When estimating dollars to be budgeted for project expenses, estimating methods must be consistent with CIHS accounting practices and must allow expenditures to be accumulated and reported to at least the same level of detail as the estimate.

### **3.1.6. Budget Justifications**

CIHS is obligated to treat types of expenses consistently as either direct or indirect costs. If a proposed budget includes the direct expenditure of project funds for costs that would normally be charged indirectly, e.g., clerical and administrative expenses, general-purpose equipment, or operations and maintenance, then those items must be supported in the proposal by an explicit budget justification. In addition, when administrative and clerical salary costs are being proposed to a federal sponsor, the proposal must include an explanation of how the activities being performed by the administrative person are integral (i.e., vital, essential, fundamental) which allow the effort to be direct charged. (see Charging for Administrative and Technical Expenses).

This section is not intended to override sponsor requirements related to proposals.

## **3.2 Management of Project Expenditures**

This policy summarizes some of the obligations imposed on Principal Investigators (PI) by federal regulation and by CIHS policy including quarterly review and certification of direct charges and cost-shared expenditures, monitoring of funds within the sponsor's funding limitations and project closeout.

### **3.2.1. Principal Investigator Responsibilities**

The PI has overall responsibility for the technical and fiscal management of a sponsored project. This includes the management of the project within funding limitations, adherence to reporting requirements and assurance that the sponsor will be notified when significant conditions related to project status change. This document addresses specific responsibilities concerned with the financial management of sponsored projects. While responsibility for the day-to-day management of project finances may be delegated to administrative or other staff, accountability for compliance with CIHS policy and sponsor requirements ultimately rests with the PI.

California Institute for Human Science requires all Principal Investigators including those receiving Institute Research awards to review their obligations for stewardship of sponsor funds and compliance with applicable regulations.

### **3.2.2. Authorization of Direct Charges**

To authorize the expenditure of funds to be charged directly to sponsored projects, the PI and originating department must assure that the:

- estimated charge is reasonable and necessary
- expenditure is allowable by the funding source and, if charged to a federally funded project, by OMB Circulars A-21 and A-110 or the Uniform Guidance
- expenditure is allocable to the project, i.e., provides benefit to the project
- funds are available within the authorized award amount and funding limitations
- justification for the expenditure is documented
- method of allocation of costs is appropriate and documented
- charge is coded with the correct Expenditure Type and charged to the correct account
- charge has been processed through the appropriate Institute system
- salaries and wages charged are reasonable in relation to the work performed and to the individual's total payroll distribution
- payroll charge to each sponsored project account does not exceed the effort devoted to that project

### **3.2.3. CIHS Base Salary**

CIHS Base Salary (SBS) is the annual compensation paid by CIHS to individuals whose time is spent on research, teaching and/or other activities.

CIHS Base Salary:

1. Includes regular and supplemental salary
2. Excludes honorarium, vacation accrual, bonus payments and extra compensation such as faculty housing allowance, tuition reimbursement, etc.
3. Excludes any income that an individual is permitted to earn outside of the CIHS responsibilities (e.g., consulting payments)
4. May not be increased as a result of replacing CIHS' salary funds with sponsored

project funds

### **3.2.4. Review of Project Expenditures**

Expenditure Statements are the official record of project expenses and the basis for cost reimbursements to CIHS.

Expenditures for sponsored projects and cost sharing accounts must be reviewed by a knowledgeable individual, i.e., the PI or designee (typically the financial or research administrator) so that adjustments can be made in a timely manner, and that rates of expenditures can be monitored to assure availability of funds. To be considered timely, monthly expenditures must be reviewed within two months of the end of the month being reviewed.

Any questionable charges must be brought promptly to the PI's attention, and, if needed, corrected by an appropriate transfer. Transfers should be initiated as soon as possible after a need has been identified. Whenever expenses are moved to or between sponsored accounts, the PI must assure that the project that ultimately pays the expense is the project that benefited from that expense, and that there is adequate documentation to support the appropriateness of the transaction. Procedures governing transfers of expense are defined in Cost Transfer Policy for Sponsored Projects.

### **3.2.5. Quarterly Review and Certification of Project Expenditures**

Project expenditures must be reviewed and certified every academic quarter. Sponsored project and cost sharing accounts must be reviewed and certified by the PI quarterly. This certification is the responsibility of the project PI (or Co-PI). A PI may delegate the monthly review of expenditures for accuracy, but may not delegate certification of the appropriateness of the charges except as follows. The PI may only delegate review and certification to a participating faculty member or PI eligible individual who is responsible for a portion of the statement of work.

The purpose of the review and certification is to confirm that all expenses charged to the account are allowable, allocable to the project, and reasonable. The certification of salary expenditures confirms that salaries charged to the account are supported by a corresponding expenditure of effort during the time period being certified. The certification also assures that other expenditures are for items or services purchased and used during the project period as specified by the award. It is the PI's responsibility to seek a no-cost extension of the award if that is necessary in order to complete the project.

To be considered timely, the expenditures must be reviewed within two months of the end of the academic quarter being certified. Issues regarding the timely certification of expenditures should be discussed with the appropriate Department Chair, School Dean, and/or the Dean for Research or the Accounting Office.

Adequate explanation and documentation for all project charges must be maintained for four years after the sponsor closes out the award. Where documentation cannot be provided as to the allowability, allocability and reasonableness of any project expense, including but not limited to expenses incurred late in the project period, the sponsor may deny them. In this case, the PI, department or school will be expected to cover the expense from unrestricted sources.

Any departure from the policy or procedures regarding summarization of Quarterly PI Review and Certification must be approved in advance by the Office of Dean of Research (DoR).

### **3.2.6. Charging Vacation to Projects**

Staff at California Institute for Human Science, including Academic Staff-Research (non-faculty), accrue vacation as specified by Institute policy. CIHS has established Vacation Accrual/Disability Sick Leave rates for exempt and nonexempt staff. These accrual rates, reviewed and negotiated annually, enable CIHS to charge the appropriate funding source for vacation earned by benefits-eligible staff as they are working.

### **3.2.7. Charging Proposal Expenses to Ongoing Projects**

Proposal preparation costs are the costs of preparing proposals on potential Federal and non-Federal projects, including the development of data necessary to support CIHS' proposals. These costs typically include salary for the PI and/or others.

The cost of proposal preparation activities in support of new and competing sponsored proposals cannot be charged to sponsored projects except when explicitly allowed or required by the sponsor (e.g. NIH Mentored Career Development Awards).

The cost of proposal preparation efforts for a non-competing extension or continuing research may be charged to current related projects.

Work performed by faculty, academic staff researchers, instructors and regular staff that is related to current projects may also be related to new projects in development. Only the incremental effort associated with proposal preparation that does not benefit the existing project(s) needs to be identified and charged to an appropriate non-sponsored account.

### **3.2.8. Monitoring of Funds within Sponsor Funding Limitations**

PIs are responsible for the ongoing fiscal management of awarded projects, including regular monitoring against project period budgets. Federal grants policy establishes the approved project budget as the financial expression of the project, and sponsors may evaluate the project against the budget at any time. Although sponsors allow certain flexibility with respect to rebudgeting, unobligated balances, and preaward costs, California Institute for Human Science and sponsors expect expenditures to be

reasonably consistent with the approved project and budget. Sponsors may question or restrict expenditures that appear inconsistent with the project plan and budget. PIs are obligated to request prior approval when budget and program plan revisions indicate a significant change in scope. Indicators of a change in scope can include, for example, significant expenditures beyond the amount authorized on the award, or requests for additional funding.

### **3.2.9. Overdrafts**

It is CIHS' expectation that projects will be managed within their established budgets. If, as a result of unusual circumstances or unanticipated project expenses, an account is in overdraft upon expiration of the term of the sponsored project, and if additional funds have not been received from the sponsor, the PI must identify an appropriate source of funds (e.g., gift, endowment, or operating budget) to cover the expense. The overdraft must be transferred to a cost sharing award in sufficient time to permit CIHS to comply with the financial reporting requirements of the original award (See Project Closeout, below).

The department must identify the source of funds to the Office of Research or designated School office, which will create a cost sharing account. The department will then initiate the necessary expense transfer, including documentation of the nature of the expenses, noting they were legitimate project expenses but the funding was inadequate, and other reasons for the transfer. Such transfers must occur in sufficient time to permit CIHS to comply with the financial reporting requirements of Closeout, and the Cost Transfer Policy for Sponsored Projects.

The PI, department or school is responsible for the timely clearance of any unfunded expenditures from within its resources.

### **3.2.10. No Cost Time Extensions**

If additional time is needed to complete a project and there is an unexpended balance in the award, PIs may request that the period of performance of an award be extended. In some cases, CIHS officials are authorized to approve no cost time extensions; in other cases, agency prior approval is required. Requests for extensions should be initiated by a PI and processed in accordance with the terms of the sponsored award; in some cases, the countersignature of an authorized institutional office is required. To ensure compliance with the reporting requirements of awards, PIs are urged to submit no-cost time extension requests as soon as the need becomes apparent. Requests for a no cost extension should be submitted no later than the end date of the award (unless an earlier date is required by the agency.) Award closeouts cannot be delayed to accommodate pending requests submitted after the award end date.

If final technical reports are to be completed after the project end date, and funds from the project are available to pay these expenses, a no cost extension should be obtained from the sponsor to cover the expense of producing and distributing those reports. If

funds are not available from the project, then the PI, department or school must identify unrestricted funds to pay final report costs.

### **3.2.11. Project Closeout**

PIs are responsible for overseeing the proper closeout of sponsored projects, including the timely submission of all required reports (including final technical reports). While central offices prepare and submit final administrative reports, including financial and property reports, they do so on the basis of documentation created in the department. PIs must assure that such documentation is adequate and readily available. In addition, PIs are responsible for ensuring that any necessary final financial adjustments and documentation (e.g., final invoices from vendors or subrecipients) are received promptly after the end of the award.

## **3.3 Sponsor Notifications and Prior Approvals - Principal Investigator Responsibilities**

The PI is responsible for necessary notifications to the sponsor about project status. In all cases, required notifications or requests for prior approval of contract or grant status, including those described in the sections below, should be made in writing to the sponsor. Such notifications must be coordinated through the Office of Research (OoR).

In addition, sponsors often have requirements regarding notification or prior approval of changes in availability of the PI:

- For federal contracts and non-federal projects, the terms and conditions of the particular agreement will govern
- For federal grants, OMB requires prior written approval from the awarding agency for either of the following circumstances involving the PI or approved Project Director:
  - A reduction in time devoted to the project of 25% or more from the proposed and awarded level
  - Disengagement from the project for more than three months (see Acting PIship)

For any additional requirements, review the grant award and grant policy of the specific agency.

The PI, Department Chair, or department administrator should contact OoR to coordinate securing required approvals in either of the circumstances above. If, in the original award, CIHS committed to cost share any PI effort and the PI reduces his or her

overall committed level on the project, OoR will also negotiate reductions in levels of the cost-shared component of effort, as appropriate.

In addition, when a PI's faculty appointment will terminate prior to or during a project's period of performance, OoR must inform the sponsor.

## **3.4 PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications**

Establishes guidelines for implementation of agency requirements related to financial disclosures by faculty members and other key personnel involved with submitting proposals and notifications to agencies in the event a financial conflict of interest (FCOI) is identified.

### **3.4.1. Introduction**

Several federal agencies have requirements for disclosures related to their sponsored research projects; these include the Public Health Service (PHS) and related components such as the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC), as well as the National Science Foundation (NSF). This policy provides specific guidance related to the requirements of those agencies.

### **3.4.2. PHS Investigator Disclosures [1]**

PHS requires that, for each proposal submitted to that agency, the Principal Investigator (PI) and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research (Investigators) certify that he or she has appropriately disclosed any Significant Financial Interests (SFI) related to his or her institutional responsibilities to CIHS. These SFI disclosures must be updated at least annually and within thirty days of entering into a new relationship with a company/organization or discovering or acquiring (e.g., through purchase, marriage, or inheritance) a new SFI. Before an award can be accepted, CIHS must determine:

1. If the SFI is related to the Investigator's research responsibilities and to the specific research award in question
2. If the SFI creates a Financial Conflict of Interest (FCOI)
3. If an FCOI is determined to exist, then a Management Plan detailing how the conflict will be managed, reduced, or eliminated must be developed and implemented.

At CIHS, each School will handle this responsibility for its own Investigators. PHS components including the NIH require that Investigators disclose to a designated representative of the institution all SFIs that would reasonably appear to be related to

the Investigator's institutional responsibilities which include: research and other scholarly activities; clinical care activities; teaching or educational activities; and administrative activities.

SFI means a financial interest consisting of one or more of the following interests of the Investigator (and those of the Investigator's spouse/domestic partner or dependent children) that reasonably appear to be related to the Investigator's institutional responsibilities:

- With regard to any publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000
- With regard to any non-publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest
- Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests that is not paid through CIHS

An FCOI means an SFI that could directly and significantly affect the design, conduct, or reporting of PHS-funded research.

[1] The requirements regarding Investigator financial conflicts of interest in research funded under PHS grants or cooperative agreements can be found at [http://grants.nih.gov/grants/FCOI\\_Final\\_Rule\\_inspection\\_Desk.pdf](http://grants.nih.gov/grants/FCOI_Final_Rule_inspection_Desk.pdf), pp 53283-53288.

#### **A. California Institute for Human Science Implementation, PHS Requirements**

PIs must document that all requirements related to the submission of a funded research proposal have been met. One requirement is for CIHS to ensure that if there are personal financial interests related to the funded research, these relationships are examined and dealt with according to institutional and funding agency policies on conflict of interest. A personal financial interest with an entity would be reasonably considered related to an investigator's research study in circumstances such as the following:

- Entity sponsors research at CIHS in which the investigator is directly involved
- Entity has financial interests that could reasonably be considered to have a potential influence on the design, conduct or reporting of investigator's research/scholarship
- Entity has a reasonable possibility of being financially affected by investigator's research/scholarship



- Entity makes gifts to CIHS that benefit investigator's research/scholarship (including equipment gifts or loans)
- Entity makes a product that is under study in research in which investigator is involved
- Entity licenses CIHS intellectual property in which investigator has a financial interest
- Entity has a Materials Transfer Agreement or Human Tissue Agreement (MTA/HTA) to provide materials used in investigator's research or for materials provided by investigator to the company/organization
- Entity sponsors or makes a product that is under study in human subjects in which investigator is directly or indirectly involved

If a related financial interest exists, questions about personal financial interests that may reasonably appear to be related to the research project (see Attachment A - Evaluation of Financial Interests in Related Items below).

## **B. Agency Notifications, PHS Only**

Upon receipt of an award from the Public Health Service and prior to the expenditure of any funds, as well as within 60 days for any interest that the Institution identifies as conflicting subsequent to the Institution's initial report under the award, CIHS is obligated to notify the sponsoring institute or agency of any FCOI associated with that award. In addition CIHS will provide annual updates on any previously-identified FCOI for the duration of the research project or until the FCOI ceases to exist. The annual FCOI report will address the status of the financial conflict of interest and changes to the management plan and is done at the same time as the Investigator's submission of the annual progress report, multi-year progress report, or extension.

If an FCOI is identified at the time a proposal is submitted, and that proposal is subsequently awarded, or if an FCOI is identified subsequent to the award of the project, CIHS must prepare a notification to the eRA Commons FCOI Module. That notification is to consist of the following:

1. Grant number
2. PD/PI or contact PD/PI
3. Name of Investigator with the FCOI
4. Name of the entity with which the Investigator has an FCOI
5. Nature of FCOI (e.g., equity, consulting fees, travel reimbursement, honoraria)
6. Value of the financial interest (in pre-specified dollar ranges) or a statement that a value cannot be readily determined

7. A description how the financial interest relates to NIH-funded research and the basis for the Institution's determination that the financial interest conflicts with such research
8. Key elements of the Institution's management plan including: role and principal duties of the conflicted Investigator in the research project
  - Conditions of the management plan
  - How the management plan is designed to safeguard objectivity in the research project
  - Confirmation of the Investigator's agreement to the management plan
  - How the management plan will be monitored to ensure Investigator compliance. CIHS will monitor Investigator compliance until the completion of the PHS-funded research project.
  - Other information as needed

In the event that CIHS identifies a significant financial interest that was not disclosed in a timely fashion by the Investigator or previously reviewed by CIHS during an on-going PHS-funded research project, CIHS will, within 60 days, determine whether it is related to PHS-funded research and, if so, whether a financial conflict of interest exists. If an FCOI exists, CIHS will implement a management plan.

In addition, whenever a financial conflict of interest is not identified or managed in a timely manner, CIHS will, within 120 days of its determination of non-compliance, complete a retrospective review of the Investigator's activities and the PHS-funded research project. The purpose of the review is to determine whether any PHS-research conducted during the period of non-compliance was biased in its design, conduct or reporting.

The documentation of the retrospective review will include these elements:

- Project number
- Project title
- PD/PI or contact PD/PI if a multiple PD/PI model is used
- Name of the Investigator with the FCOI
- Name of the entity with which the Investigator has a financial conflict of interest
- Reason(s) for the retrospective review and methodology used for the review
- Findings and conclusions of the review

Based on the retrospective review, if appropriate, CIHS will update the previously submitted FCOI report, specifying the actions that will be taken to manage the FCOI

If bias is found, CIHS will notify the PHS Awarding Component promptly and submit a mitigation report to the PHS Awarding Component. The mitigation report will include the key elements documented in the retrospective review, the impact of the bias on the research project and CIHS' plan of action or actions to eliminate or mitigate the effect of the bias.

In any case in which Health and Human Services (HHS) determines that a PHS-funded project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment has been designed, conducted or reported by an Investigator with a financial conflict of interest that was not managed or reported as required by PHS regulations, CIHS will require the Investigator involved to disclose the financial conflict of interest in each public presentation of the results of the research and to request an addendum to previously published presentations.

CIHS will maintain records relating to all Investigator disclosures of financial interests and CIHS' review of and actions taken related to such disclosures for at least three years from the date of the final expenditures report is submitted to the PHS, or, where applicable, from other dates specified in PHS regulations.

## **C. Other PHS Requirements**

### **1. Public Accessibility**

Prior to the expenditure of funds, CIHS will make certain that information concerning FCOIs held by senior/key personnel is publicly accessible via a Web site or by a written response to any requester within five business days of a request or as required by law. This information will include: the Investigator's name; the Investigator's title and role with respect to the research project; the name of the entity in which the significant financial interest is held; the nature of the significant financial interest; and the approximate dollar value of the significant financial interest (in pre-specified dollar ranges), or a statement that a value cannot be readily determined. This information will remain publicly accessible for at least three years from the date that it was most recently updated.

### **2. Subawards**

If an institution carries out agency-funded research through subawardees, contractors, or collaborators, the institution must take reasonable steps to ensure that the collaborating entity has its own policies in place that meet the requirements of the PHS policy or that investigators working for such entities follow the policies of the primary institution.

### **3. Travel**

Investigators who are planning to participate in PHS-funded research must disclose their reimbursed or sponsored travel related to their institutional responsibilities over

the previous twelve-month period to their Institution no later than the time of application for PHS-funded research. They must also submit an updated disclosure of reimbursed or sponsored travel within 30 days of each occurrence.

### **3.4.3. NSF Investigator Disclosures [2]**

NSF requires CIHS to maintain an appropriate written and enforced policy on conflict of interest and that all conflicts of interest for each award be managed, reduced or eliminated prior to the expenditure of the award funds. If an institution carries out agency-funded research through subawardees, contractors, or collaborators, the institution must take reasonable steps to ensure that the collaborating entity has its own policies in place that meet the requirements of this policy or that investigators working for such entities follow the policies of the primary institution.

NSF requires that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator's spouse and dependent children) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF or in entities whose financial interests would reasonably appear to be affected by such activities.

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

As specified by NSF, the term "significant financial interest" (SFI) means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options, or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights).

The term does not include:

- salary, royalties, or other remuneration from the applicant institution
- income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities
- income from service on advisory committees or review panels for public or nonprofit entities
- an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$5,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity

- salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$5,000 during the twelve month period

NSF requires CIHS to ensure that investigators have provided all required financial disclosures at the time the proposal is submitted to NSF. CIHS must also ensure that those financial disclosures are updated during the period of the award, either on an annual basis, or as new reportable significant financial interests are obtained.

CIHS designates individuals to review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities.

Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:

- public disclosure of significant financial interests
- monitoring of research by independent reviewers
- modification of the research plan
- disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests
- divestiture of significant financial interests
- severance of relationships that create conflicts

CIHS must have adequate enforcement mechanisms, provide for sanctions where appropriate and must keep NSF's Office of the General Counsel appropriately informed if the institution finds that it is unable to satisfactorily manage a conflict of interest. Grantee notifications of conflict of interest that cannot be managed, reduced, or eliminated must be submitted electronically via the NSF FastLane system by the Office of Research.

CIHS must maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF action involving those records, whichever is longer.

[2] The conflict of interest policies of the NSF can be found at:  
[http://www.nsf.gov/pubs/policydocs/pappguide/nsfo8\\_1/aag\\_4.jsp](http://www.nsf.gov/pubs/policydocs/pappguide/nsfo8_1/aag_4.jsp)

#### **3.4.4. Attachment A: Evaluation of Financial Interests**

If the PI knows of the existence of a related financial interest, questions about those financial interests that may reasonably appear to be related to the research project and should be provided to all applicable parties, including the Office of Research, including:

1. Name of company/organization (foundation, society, other)
2. What is the nature of your activity/financial interest with the company/organization? (check all that apply)

☐ Board of Directors membership ☐ Advisory Board membership ☐  
Consultant (other than Advisory Board or Board of Directors membership) ☐  
Licensing of your CIHS or non-CIHS intellectual property ☐ Ownership of stock  
or stock options or other ownership interests (excluding investments for which  
you do not directly control investment decisions, such as mutual funds) ☐  
Payment for royalties for inventions (not paid through CIHS) ☐ Payment for  
lectures ☐ Payment for preparation of papers or reports ☐ Payment for  
product evaluation ☐ Legal consultant or expert witness ☐ Executive or other  
employee position with company/organization ☐ This is a financial  
interest/activity of my spouse/domestic partner or dependent child

3. What is the total amount of your financial interest (or that of your spouse/domestic partner or dependent children) in this company/organization?

☐ \$1 - 4,999  
☐ \$5K - \$9,999K  
☐ \$10K - 19,999K  
☐ \$25 - 49,999K  
☐ \$50K - 99,999K  
☐ \$100 - 199,999K  
☐ greater than \$200,000

4. If this entity is a company, is it  
☐ Publicly traded or ☐ Privately held or Start Up

## **4. Reserved**

## **5. Human Subjects in Research**

### **5.1 Human Research Protection Program**

Provides comprehensive information about the organization, scope, authority and responsibilities associated with California Institute for Human Science's program for the protection of human research subjects.

#### **5.1.1. Introduction**

This Human Research Protection Program (HRPP) policy is provided in an effort to give comprehensive information about the organization and focus of the human research protection program to the members of the research community at California Institute for Human Science and affiliated organizations. The program is organized around the principles and standards of the Association for the Accreditation of Human Research Protection Programs. It requires compliance with applicable laws such as the Common Rule (45 CFR Part 46) and FDA regulations relating to human subjects (21 CFR Parts 312 and 314) and includes ethical standards such as the Belmont Report. All members of the CIHS community who engage in research involving human subjects must be knowledgeable about the requirements of the HRPP.

#### **5.1.2. Authority and Responsibility**

The Dean of Research has been given the authority and responsibility to establish, maintain, and oversee the HRPP by the President of California Institute for Human Science. The primary administrative responsibility for the day-to-day operation of the HRPP lies with the Office of Research.

#### **5.1.3. Participating Organizations**

The HRPP applies to the human subject research done at California Institute for Human Science and also at affiliate organizations for which it has an agreement to provide services related to the HRPP.

#### **5.1.4. Human Research Protection Program Policies (HRPP)**

The Dean of Research has approved the policies that constitute the HRPP. The Dean of Research may add or modify policies as necessary and appropriate to incorporate

changes in the law and accreditation standards and to improve the effectiveness of protections for human subjects.

#### **5.1.5. Compliance and Monitoring**

The Office of Research will institute a continual process for reviewing and monitoring human subject research and its compliance with the HRPP.

#### **5.1.6. Role of the IRBS**

The Institute's Institution Review Board (IRB) is overseen by the Office of Research, and has a primary role in the HRPP through such activities as:

1. Prospective and continuing review of each research protocol involving human subjects, including an evaluation of its risks and benefits to the human subjects
2. Reviewing the adequacy of the informed consent document, particularly as to its description of the risks and benefits
3. Receiving, evaluating and conducting reviews concerning reports of unanticipated problems, possible non-compliance, and other information and incidents that might affect its approval of the protocol or the subjects' willingness to continue to participate

#### **5.1.7. Training Concerning the HRPP**

California Institute for Human Science and its affiliates train and require documentation of training for all investigators, research staff, students, IRB members and staff, and others engaged in human subject research about the requirements of the HRPP.

#### **5.1.8. Non-compliance**

Anyone who knows that, or has reason to believe that human research is being conducted in a manner that is not in compliance with the HRPP must report the matter promptly to the VP and Dean. All reported matters will be reviewed in a timely manner and, when possible, will be handled confidentially. Any attempt to retaliate against a person for reporting possible non-compliance with the HRPP may itself be considered a violation of the HRPP.

#### **5.1.9. Sanctions**

Non-compliance, protocol deviations, and violations are addressed in the HRPP Non-adherence to CIHS policies and procedures, and applicable local, state and federal regulations concerning human subject research may, under certain circumstances, result in administrative, civil, or criminal penalties against individuals and the



organizations participating in the HRPP. These penalties include action by the FDA to suspend or terminate an investigator or an organization's ability to participate in clinical trials for investigational drugs, devices, and biologics, and action by the US Department of Health and Human Services to suspend funding for human subject research.

Employees, students, and contractors of the participating organizations who are not in compliance with the HRPP in the conduct of human subject research or related activities may be subject to disciplinary action up to and including termination of employment, contract, or other relationship with the participating organization.

#### **5.1.10. Information and Reporting**

If any member of the CIHS community has any questions about the HRPP or wishes to make a report related to human subjects in a research protocol the Office of Research should be contacted. Contacting the Office of Research, which may be done anonymously.

## **5.2 Use of Human Subjects in Student Projects, Pilot Studies, Oral Histories and QA/QI Projects**

Discusses the responsibilities for use of human subjects in student projects, pilot studies, oral histories, and QA/QI projects, and describes conditions under which IRB review and approval is needed.

### **5.2.1. Introduction**

Some specific types of studies have triggered questions with respect to investigators' responsibilities and the need to obtain prospective review and approval of the IRB:

- Student Projects
- Pilot Studies
- Oral Histories
- Quality Assurance/Quality Improvement Projects

### **5.2.2. Student Projects**

California Institute for Human Science supports a wide range of student research projects involving human subjects -- from course-related research exercises to Ph.D. dissertation studies.

Generally, student research involving human subjects falls into one of two categories, research practica and directed, independent research projects.

### **A. Research Practica**

Research Practica are class projects designed to provide students an opportunity to practice various research methods such as interview, observation and survey techniques, as well as data analysis. Such projects typically do not lead to generalizable knowledge and are not undertaken with that goal in mind. Research practica do not require IRB review, unless the results will be academically published or presented outside of California Institute for Human Science.

Data that are collected during a research practicum project may be used in independent research projects at a future time. In such a case, the IRB should be consulted, because an IRB application for use of existing data may be required.

Although the IRB generally does not class projects, we strongly encourage instructors to become fully familiar with each student's project(s), and to discuss it with the student. Experience has taught us that time spent with students discussing matters such as courtesy, and avoidance of unnecessary discomfort or invasion of privacy, will be time well spent. Explicit recognition of the existence of the IRB and discussion of its goals and concerns should be an integral part of introducing students to research methodologies .

### **B. Directed or Independent Research Projects**

Directed or Independent Research Projects are any research conducted by students, graduate or undergraduate which involve human subjects, employs systematic data collection, is intended to contribute to generalizable knowledge, and does not fall under the definition of research practicum. These projects include, but are not limited to, independent undergraduate research projects and honors theses, masters' theses and dissertations. Student projects in this category must be reviewed and approved by the IRB. It is possible that a research project may be exempt from ongoing IRB review, but it must meet explicit criteria and the IRB must certify the exemption.

If you have questions regarding the distinction between these categories, please do not hesitate to contact the IRB for assistance.

### **5.2.3. Pilot Studies not Leading to Generalized Knowledge**

A pilot study not leading to generalized knowledge is a preliminary investigation of the feasibility of a study, usually done on a small scale (approximately 10 or fewer subjects) and exploratory in nature. It is designed to help the investigator refine data collection procedures and instruments or prepare a better, more precise research design. Such a pilot does not contribute to generalizable knowledge, will not be reported on outside of California Institute for Human Science, and therefore is not considered research and

does not require IRB review. Data collected from a pilot study cannot be used as research data.

Medical interventions or interactions for research purposes, especially those involving invasive procedures, *do* require IRB review regardless of the size of the study.

#### **5.2.4. Oral History**

An oral history study may not require IRB review because it is not generally thought to be a systematic investigation designed to contribute to generalizable knowledge beyond the individual being interviewed. However, when using oral history as a technique in human subject research it may require IRB review. Researchers proposing such work are strongly encouraged to contact the IRB to determine whether their project requires approval.

#### **5.2.5. Quality Assurance or Quality Improvement Projects**

Research conducted in conjunction with program evaluations or quality assurance measures may or may not fall under the jurisdiction of the IRB. If such a project is conducted with the intent to develop or contribute to generalizable knowledge, it should be submitted for IRB review. For clarification, please contact the IRB to discuss the details of your project.

### **5.3 Use of Employees or Laboratory Personnel as Research Subjects**

PIs should consider the following guidelines for participation by employees or laboratory personnel as subjects:

1. Whenever employees or laboratory personnel participate as subjects in a formally approved research project, they should render the same written informed consent as any other participant in the study.
2. Research directors should understand that, by virtue of their dependent positions, employees or laboratory personnel represent a vulnerable population with regard to acting as research subjects. The directors should be sensitive to the need to avoid even subtle coercion and to ensure that all personnel who participate in even minimal risk research activities do so entirely voluntarily.
3. In general, studies involving any type of intervention (e.g. the ingestion or injection of a substance, or venipuncture, solely for the sake of the study) should be considered research, subject to the need for written and signed informed consent.
4. In principle, if compensation is allowed, it should go to all subjects; however,

compensation of individuals who are full-time members of the academic staff or regular exempt staff may not be allowed.

5. As mentioned above (see #3), if doubt exists as to the appropriateness of having employees or laboratory personnel participate in even minimal risk activities, the Protocol Director is urged to contact the Office of Research for guidance.

## **5.4 Guidelines for Studies Involving Human Volunteers Receiving Potentially Addicting Drugs**

Presents guidelines for participation by human subjects in studies involving potentially addicting drugs; discusses informed consent, and conditions for exclusion of subjects.

### **5.4.1. Introduction**

Some research may involve drugs known to have significant potential for addiction in some individuals. In order to serve the goal of minimizing potential risk to human subjects, these guidelines review special features of studies involving human volunteers receiving potentially addicting drugs.

### **5.4.2. Informed Consent**

Human volunteer subjects who may receive drugs with significant potential for addiction (examples include but are not limited to opiates, cocaine, alcohol) in a study must be informed that the drug(s) they may (or will) receive are known to have a significant potential for addiction in some individuals. If the magnitude of the risk of addiction in relevant populations is known it should be specified.

### **5.4.3. Exclusion of Subjects with a History of Addiction**

With some exceptions, potential volunteer subjects who have a known history of addiction should be excluded from studies of drugs with a significant potential for addiction. The informed consent should indicate that potential subjects should not participate in the study if they have any history of addiction to a drug or to alcohol. Subjects should be asked to check off a box on the consent form to indicate that they do not have such a history.

Furthermore, investigators may wish to incorporate a confidential pre-screening questionnaire about prior drug use history in such studies. Investigators may also choose to perform urine drug screening of subjects. If pre-screening questionnaires or urine testing is utilized, subjects should be informed as to how the confidentiality of these data will be maintained, and to whom they may be released.

The exceptions to this exclusion policy are those protocols which require the participation of addicted patient subjects to answer a scientific question (e.g., the effect of moderate doses of alcohol on a biologic variable which might predict subsequent relapse or give insight into the etiology of the disorder.) The justification for experimental ingestion or intoxication must be included in the application.

#### **5.4.4. Exclusion of Subjects with Direct Access to the Class of Addicting Drug Under Study**

Potential volunteer subjects who have direct physical access to and routine handling of addicting drugs in the regular course of their work duties should be excluded from studies of drugs with a significant potential for addiction and to which the subject has access.

It is known clinically that addiction to certain types of medications is an occupational hazard of certain groups of health care workers. Although the prevalence within each group is not well-established, it is a well-described hazard for personnel who meet the following functional definition: personnel with direct physical access to and routine handling of addicting drugs in the regular course of their work duties. In particular, there is a risk for addiction to opiates, sedative-hypnotics, and cocaine. The health care workers in this group may vary depending on the drug involved and on the practice setting of the worker. However, typically the group with regular access includes: anesthesiologists; emergency room physicians; ward, operating room, post-anesthesia care unit, emergency room, and intensive care unit nurses; pharmacists. The exclusion stated above applies to those who meet the functional definition above, and not specifically to any general title or job description.

It is also known that health care workers who are addicted to medications can often effectively hide the signs and symptoms of their addiction. This exclusion guideline would therefore operate to prevent the harm that would result if an addicted subject was inadvertently included in a study of the drug to which the subject is addicted.

Health care workers who would be excluded under this Guideline make up a small component of the available volunteer pool for the testing of new therapeutic drugs. Thus, their participation is not required to ensure proper testing and validation of the safety of new or existing addicting drugs. Therefore, any risk of addiction in this group, no matter how small, cannot ordinarily be justified by the scientific benefit to be gained by their participation in studies of addicting drugs. It is generally expected that potential subjects who are health care workers who have direct physical access to and/or routine handling of addicting drugs in the regular course of their clinical duties will be excluded from studies in which an addicting drug to which they have access will be administered. If an investigator believes that inclusion of such personnel is necessary for the scientific goal of the study, a special application that justifies inclusion of these personnel must be made in the submission to the IRB.

The informed consent should indicate that potential subjects who meet the functional definition should not participate in the study, and subjects should be asked to check off a box indicating that they do not meet this functional definition.

## **5.5 Training in the Protection of Human Subjects in Research**

Presents requirements for training in the protection of human subjects for any individuals at CIHS who are involved in research using human subjects in either medical or nonmedical research.

### **5.5.1. Policy**

California Institute for Human Science requires that all individuals working with human subjects in either medical or nonmedical research complete an instructional program in the protection of human subjects. Training must be completed before the Institute will approve a project protocol or release project funds. This requirement reflects the Institute's commitment to the protection of the rights and welfare of human subjects in research, and incorporates the requirements of the National Institutes of Health (NIH).

At CIHS, the required tutorial is provided through the NIH. Upon review of the information presented at this site, individuals must identify themselves and certify their completion of the tutorial. Falsification in this regard is a violation of CIHS policy subject to appropriate corrective action. The training can be accessed at:

<https://phrp.nihtraining.com/users/login.php>

### **5.5.2. Applicability**

This policy applies to all individuals working with human subjects under the auspices of CIHS, whether at CIHS facilities or at another location, and regardless of their institutional affiliation or source of funding. In the event that individuals from other institutions conduct research under the auspices of CIHS, they must complete the necessary training, but may do so at their home institution.

The training requirement applies to all faculty, staff, students, visitors, or any other individuals who work with human subjects in research. Some examples include: individuals who obtain informed consent, administer surveys, or collect private or personal information from individuals.

### **5.5.3. Implementation**

The PI is responsible for assuring that all personnel working with human subjects on the project complete the necessary training in accordance with the requirements listed below. An award will not be made unless the training is completed.

The training is required for all research projects involving human subjects being conducted under the auspices of California Institute for Human Science regardless of the source of funding for the project.

Subcontractors, consultants and other non-CIHS personnel must also complete this training. Key non-CIHS personnel must provide certification of human subjects training. They may satisfy this requirement at their home institutions provided that CIHS is assured of completion of the necessary training. A certificate confirming the training completed or a letter countersigned by a representative from the home institution will satisfy this requirement.

Members of CIHS' IRB must complete the training.

California Institute for Human Science reserves the right to require additional training for researchers working with human subjects where it is deemed to be necessary.

#### **5.5.4. Good Clinical Practice (GCP) Training Requirement**

On September 16, 2016, NIH issued a policy establishing the expectation that all NIH-funded investigators and staff who are involved in the conduct, oversight, or management of clinical trials as defined by NIH should be trained in Good Clinical Practice (GCP), consistent with the principles of the International Conference of Harmonisation (ICH) E6 (R2).<sup>[1]</sup> The NIH policy is effective January 1, 2017. As a result, the Institutional Review Board (IRB) will require assurance that GCP training will be completed. Your institutional official in RMG or OoR also will require verification that GCP training has been completed before sponsored project awards are issued. Awards will be withheld pending completion of GCP and human subjects (HS) training as required below:

#### **Definitions**

*Investigator:* The individual responsible for the conduct of the clinical trial at a trial site. If a clinical trial is conducted by a team of individuals at a trial site, the investigator is the responsible leader of the team and may be called the principal investigator.

*Clinical trial staff includes:* Individuals, identified by the investigator, who are responsible for study coordination, data collection and data management. The central focus of clinical trial staff is to manage participant recruitment and enrollment, to maintain consistent study implementation, data management, and to ensure integrity and compliance with regulatory and reporting requirements. These individuals may also seek informed consent from prospective participants,

enroll and meet with research participants, and collect and record information from research participants. Clinical trial staff may also be called the research coordinator, study coordinator, research nurse, study nurse or sub-investigator.

California Institute for Human Science fully endorses the need for clinical research investigators and staff to meet international ethical and scientific quality standards for the design, conduct, recording, and reporting of research involving human subjects. Therefore, California Institute for Human Science has determined GCP training will apply to all human subjects clinical trials regardless of funding source. This includes sponsored projects funded by external sponsors and non-sponsored projects funded with department or gift funding.

The Principal Investigator is responsible for identifying which staff are required to take the training and for ensuring the training is completed before participating in the study.

The training is free, and can be taken here: <http://www.sbm.org/gcp-modules/>

[1] International Conference on Harmonisation (ICH) E6

## **6. Laboratory Animals in Research**

### **6.1 Animal Welfare Assurance of Compliance**

Provides assurance of CIHS compliance with PHS Policy on Humane Care and Use of Laboratory Animals. Includes a description of CIHS policies and procedures for the IRB, which also approves research involving animals.

### **6.2 Use of Vertebrate Animals in Teaching Activities**

Establishes policy and procedures for the use of live or deceased vertebrate animals for instructional purposes.

#### **6.2.1. Instructional Use**

It is the policy of California Institute for Human Science that the use of either live or deceased vertebrate animals for solely instructional purposes is permitted when:

1. The cognizant instructor(s) judges that the educational goals of the program or course will be best achieved by such usage
2. The IRB determines that such usage is humane, proper, and appropriate, consistent with government principles and regulations for the utilization and care of vertebrate



animals used in teaching and research. Only the minimum number of animals essential to instructional objectives should be used. Instructors should be encouraged to use alternatives to animals whenever possible.

### **6.2.2. Information to Students**

Academic departments and programs should alert prospective students if any courses which are required for a major or degree involve the use of animals. This requirement may be met by a statement to the effect that some required courses for certain degrees may involve use of animals tissue, and that interested students should seek further information about such requirements from the department. Normally this statement should appear in Courses and Degrees.

Instructors must inform their students during the first week of class if animals or animal tissue will or may be used as part of that course. Students who have concerns about the use of animals may then choose whether or not to take the class. Students should feel free to discuss their concerns with the instructor, but should be aware that instructors and departments are not obligated to alter course requirements which are consistent with Institute policies.

### **6.2.3. Procedures for Use of Animals**

Any faculty member who intends to use vertebrate animals for teaching purposes must submit an IRB request signed by the department chairperson. Reuse of previously approved preserved material requires no approval. Courses taught each year with no significant changes in animal usage must submit a IRB request each year.

The protocol must include information about the source from which animals are procured. In addition, the protocol must explain why animals are needed to achieve the goals of the course, and justify the species and the number of animals to be used. If the IRB questions the species of animal chosen, the procurement process, the number of animals to be used or other related matters, such questions need to be resolved before the animals may be ordered.

Live vertebrate animals must be cared for according to highest ethical standards governing the use of laboratory animals. Disposal of animal tissue must be in compliance with relevant health and safety regulations.

## **6.3 Responsibilities for the Humane Care and Use of Laboratory Animals**

Establishes policy to comply with all relevant laws and regulations governing the humane care and use of laboratory animals.

### **6.3.1. Introduction**

It is California Institute for Human Science policy that all faculty, staff, visiting scholars and students comply with the applicable provisions of the US Department of Agriculture (USDA) Animal Welfare Act, the Public Health Service (PHS) Policy on Humane Care and Use of Laboratory Animals, other Federal and State of California statutes, local regulations, and all other Institute policies and procedures relating to laboratory animals (living or dead). Failure to comply may result in a suspension of privileges to use laboratory animals in teaching and research activities.

### **6.3.2. Authority and Responsibility for Ensuring Compliance**

#### **A. Institutional Official**

The Dean of Research is the institutional official responsible for ensuring that activities using laboratory animals at CIHS are humane and in compliance with all applicable external regulations. To achieve that end, he or she is responsible for establishing and enforcing relevant Institute policies and procedures.

#### **B. Administrative Panel on Laboratory Animal Care**

The IRB reports to the Dean of Research. The Panel is charged with reviewing and approving all teaching and research activities involving laboratory animals.

#### **C. CIHS Faculty, Staff, Students and Visiting Scholars**

Investigators using laboratory animals must comply with the following:

- Investigators must file an IRB application for prospective review and approval of all activities involving the use of laboratory animals. Such uses include pilot projects and preliminary studies, whether or not they are part of a sponsored project. Approval is granted for a maximum of one year, and protocols must be updated at least annually or whenever a significant change occurs.
- No animals can be obtained without having an IRB approved protocol.
- No laboratory animal may be brought to or taken from the CIHS campus without the prior review and IRB approval.
- Principal Investigators (PIs) must take responsibility for the appropriate training of their research staff in the humane care and use of laboratory animals, ensuring that they are qualified to perform their duties, and that they understand their obligations to comply with all relevant regulations and the specifics of the approved protocol. Documentation of this training may be requested by regulatory and accrediting agencies or by the institution.
- PIs must be aware that PHS and the US Department of Agriculture (USDA) have

specific requirements when animal use takes place off of the CIHS campus as a consequence of a subgrant or subcontract (including antibody production). Proof of PHS Assurance of Compliance must be provided to the IRB whenever PHS-supported animal use activities are performed by an off-campus entity. In addition, when certain species are utilized at an off-campus site, that entity must be registered with the USDA and proof of that registration must be provided to the IRB.

- Animals may not be housed for more than 12 hours outside designated housing areas without the prior review and IRB approval.

Any person may contact (anonymously, if they wish) the Office of Research if there are concerns regarding the humane care and use of laboratory animals at California Institute for Human Science.

## **6.4 Transport, Care, and Use of Non-CIHS Owned Laboratory Animals on the CIHS Campus**

Outlines procedures for transportation, care, and use on the CIHS campus of laboratory animals which are not owned by CIHS.

### **6.4.1. Introduction**

The care and use of laboratory animals procured by California Institute for Human Science for teaching, research, and related activities are governed by policies designed to keep the Institute in compliance with all relevant external regulations for the humane treatment of laboratory animals. Occasionally, CIHS investigators engage in collaborations with or provide services to outside institutions that require the transportation of non-CIHS owned laboratory animals onto the CIHS campus. This document sets forth procedures that must be followed in these situations so that the animals involved are treated humanely, there is appropriate risk management, and the Institute remains in compliance with relevant external regulations.

The owners of non-CIHS laboratory animals must assume responsibility for the animals' welfare while on the campus and act in a supervisory role in overseeing the animals' welfare. CIHS personnel may serve as assistants.

### **6.4.2. Procedures**

When non-CIHS owned laboratory animals are to be brought to CIHS as a result of a collaboration between CIHS investigators and an outside institution, the IRB requires the following:

- IRB approval, covering the work to be done at CIHS

- the outside institution's Public Health Service (PHS) Assurance Number, US Department of Agriculture (USDA) Registration Number, or their certificate of registration from the State of California.

When non-CIHS owned laboratory animals are to be brought to campus as a result of CIHS providing services to an outside entity (e.g., use of special equipment), the IRB requires the following before approval can be granted:

- Proof that a Research Participation Agreement or other contractual arrangement has been approved by the Institute
- A description of the procedures to be performed on the animals at CIHS including: transportation arrangements, anesthesia or other chemical or physical restraint methods, experimental manipulation, euthanasia, or anything else pertinent to the care and use of the laboratory animals while they are on the campus
- Documentation showing that all portions of the research activity occurring at the outside entity involving these animals have been approved by that entity's Institutional Animal Care and Use Committee. That document must further display either the outside institution's PHS Assurance Number, USDA Registration Number, or their certificate of registration from the State of California.

Animals may not be held on the CIHS campus overnight without a formal transfer of ownership to CIHS. The IRB must approve all such arrangements.

Non-CIHS owned laboratory animals may not be brought to or taken from the CIHS campus without the prior review and approval of the IRB.

## **7 Laser Safety**

Describes responsibilities and procedures for laser safety at CIHS.

### **7.1. Principal Investigator Accountability**

The basic accountability for safety and compliance with regulations and safety standards at CIHS rests with the PI, Lab Director, or class instructor. With regard to the use of lasers, the PI has the following responsibilities:

- To notify the Institute of intent to acquire or fabricate a Class 3B or 4 laser
- To ensure that users are given both general and job-specific laser safety training - to provide preplacement eye examinations upon request of persons who may be exposed to Class 3b or 4 laser beams
- To meet requirements for posting, access controls, and eye protection

## **7.2. Budget for Laser Safety Expenses**

Where applicable, proposed budgets submitted with funding requests must include items to fund needed facility modifications, personal protective equipment, and other safety expenses associated with the proposed project.

## **7.3. Guidance for Safe Operation**

It is also the responsibility of the persons performing work with lasers to operate the laser in a safe manner.

# **8. Export Controls**

## **8.1 Applicability and Policy Background, and Regulatory Authority**

Defines requirements for exports of research-related items, information and software code; addresses policies on acceptance of 3rd party export controlled items and data; describes documentation requirements for export control determinations including export license exceptions and exclusions; and establishes compliance with trade sanctions laws as an integral export control policy function.

### **8.1.1. Applicability**

This policy addresses issues related to:

- shipping tangible items overseas
- sharing confidential technical information or software source code with foreign nationals wherever located
- interactions with embargoed or sanctioned countries, organizations, or individuals

Federal regulations related to these topics are complex and changing. Individuals at CIHS are therefore encouraged to do their best to stay informed on these issues.

### **8.1.2. Policy Background**

Export controls, set forth in regulations administered by several federal agencies, impose access, dissemination, and participation restrictions on the transfer of "export controlled" software code and information and on the export and reexport of tangible items. An export is defined as the shipment of tangible items and the transmission or

transfer of software code or information to another country, while a "deemed export" is the disclosure of controlled software code or information to foreign nationals in the US. The US Commerce Department must issue an export license or authorize an exception to or exclusion from license requirements before any controlled tangible item, software or information in the US on the Commerce Control List (CCL) may be exported or reexported. Likewise, if a tangible item, software or information is on the US Munitions List (USML), the US State Department must issue an export license or authorize an exception to or exclusion from licensing requirements. California Institute for Human Science will comply with all applicable export controls, as established by federal regulations.

Export controls restricting a foreign national's participation in Institute research within the United States, i.e., "deemed export" restrictions, generally do not apply to the conduct or results of fundamental research. CIHS conducts fundamental research as defined by the export control regulations - namely, openly-conducted basic and applied research in science and engineering that is not subject to access, dissemination, or participation restrictions. Because fundamental research is excluded from export control regulations, research, and other scholarly activities involving foreign nationals at CIHS may not trigger the need to obtain export licenses before they may proceed.

Of primary concern are transactions involving proprietary or confidential export-controlled information provided to CIHS researchers by third parties, such as corporate vendors, subcontractors, or government collaborators. These may generate disclosure restrictions and qualify for treatment under an exemption (ITAR) or license exception (EAR) in the export control regulations (see "Accepting a Third Party Party's Controlled Items or Data").

In the case of international shipments of tangible items, or the export or deemed export of 3rd party export controlled software code or information to foreign countries or their nationals, CIHS has the responsibility to either:

- Obtain an export license
- Document an express determination that an exception to export licensing requirements applies
- Document an express determination that no license is needed

### **8.1.3. Regulatory Authority**

#### **A. International Traffic in Arms Regulations 22 CFR 120-130**

The US Department of State, Directorate of Defense Trade Controls (DDTC), is responsible for items and information inherently military in design, purpose, or use. Referred to as "defense articles," such items are found on the US Munitions List, 22 CFR 121. Certain spacecraft and satellites, even if not for military use, are on the Munitions

List, along with their associated systems and related equipment. Information related to Defense Articles is referred to as "technical data."

## **B. Export Administration Regulations 15 CFR 700-799**

The US Department of Commerce, Bureau of Industry and Security (BIS), has export jurisdiction over everything in the United States, although BIS does not require a license for every export. BIS controls goods and information having both civilian and military uses by including them on the Commerce Control List, 15 CFR 774, also known as the "Dual Use List." BIS uses the term "technology" when referring to information about the goods on the Commerce Control List.

## **C. Office of Foreign Assets Control CFR 500-599**

The US Department of the Treasury oversees US economic sanctions and embargoes through its Office of Foreign Assets Control (OFAC). Empowered by the Trading with the Enemy Act and the International Emergency Economic Powers Act, OFAC enforces trade, anti-terrorism, narcotics, human rights and other national security and foreign policy based sanctions prohibiting the provision of anything of value, either tangible or intangible, to sanctioned countries, organizations, or individuals. OFAC has broad authority to license block or otherwise regulate "transactions" involving goods, technology and services to restricted destinations or parties.

# **8.2 Definitions**

Provides a brief glossary of commonly used export control terms as they apply to CIHS export controls policy.

## **8.2.1. Definitions**

### **A. Export**

"Export" means to send or take controlled tangible items, software, or information out of the United States in any manner including handcarries, to transfer ownership or control of controlled tangible items, software or information to a foreign person, or to disclose information about controlled items, software or information to a foreign government or foreign person. The controlled tangible item, software or information being sent or taken out of the United States is also referred to as an "export."

### **B. Reexport**

"Reexport" means an actual shipment or transmission of controlled tangible items, software or information from one foreign country to another foreign country. The export or reexport of controlled tangible items, software or information that will transit through a country or countries, or will be unloaded in a country or countries for

reloading and shipment to a new country, or are intended for reexport to the new country, are deemed to be exports to the new country.

### **C. Deemed Export**

"Deemed export" is a term used by the Commerce Department to describe the situation where a foreign national on US soil may be exposed to, or have access in any manner to, an export-controlled item or export-controlled software or information. Although the State Department does not use this term, but rather includes this concept in its definition of export, California Institute for Human Science will use the term "deemed export" when discussing access by foreign nationals to controlled information on our soil, without regard to which agency may have cognizance over the transaction.

### **D. US Person/Foreign Person**

A "US person" is a citizen of United States, a lawful permanent resident alien of the US, (a "Green Card" holder), a refugee or someone here as a protected political asylee or under amnesty. US persons also include organizations and entities, such as universities, incorporated in the US. The general rule is that only US persons are eligible to receive controlled items, software or information without first obtaining an export license from the appropriate agency unless a license exception or exclusion is available.

A "foreign person" is anyone who is not a US person. Examples of foreign persons are students, post-doctoral scholars, or research staff in F-1 or J-1 status, and CIHS foreign national employees in H1-B status. A foreign person also means any foreign corporation, business association, partnership or any other entity or group that is not incorporated to do business in the US. Foreign persons may include international organizations, foreign governments, and any agency or subdivision of foreign governments such as consulates.

### **E. Fundamental Research**

The concept of "fundamental research" was established by National Security Decision Directive 189 (NSDD 189, found below in "Related Items"), which establishes a national policy with regard to how such research shall be treated for purposes of the various export control regimes. NSDD 189 defines fundamental research as: basic and applied research in science and engineering where the resulting information is to be shared broadly within the scientific community.

NSDD 189 provides that the conduct, products, and results of fundamental research are to proceed largely unfettered by deemed export restrictions. It also states that the government must determine - before releasing a research opportunity - whether the research should be classified or otherwise kept secret. Research that carries access, participation, or dissemination restrictions will not qualify as fundamental research for purposes of the export control regulations. Because export regulations expressly recognize that fundamental research is excluded from deemed export controls, no



export license or other authorization is needed to involve foreign nationals in fundamental research activity at CIHS. However, such research may give rise to export issues if the primary research is to be conducted outside of the US or if it requires exposure of foreign nationals to proprietary or confidential export controlled information provided by third parties such as corporations, commercial vendors or government collaborators. Please see *Accepting a Third Party's Export Controlled Items or Information* for guidance.

## 8.3 Export Licenses for Overseas Shipments

The Commerce Department has export jurisdiction over all tangible items, software and "technology" (technical information) in the United States, unless some other agency has expressly been given such authority. However, this does not mean that a license must be obtained before any tangible item, software code or piece of technical information can be shipped.

In order to determine whether it is necessary to obtain an export license from the relevant federal agency to send tangible items or to transfer or transmit software code or technical information outside the United States, the researcher preparing the shipment or transfer needs to consider:

- whether the software code or information is disclosure-restricted and thus subject to export control, or whether it resulted from fundamental research to which export controls do not apply
- the technical characteristics and specifications of the tangible item, software or technical information
- its intended end-use and end-user
- its destination

All tangible items, software code and information not on a US export control list may be shipped or transmitted to any country, individual or entity that is not sanctioned, embargoed or otherwise restricted for export. Such items, code and information may be exported under "No License Required" (NLR) provisions.

Certain overseas shipments or transmissions being handled on a "No License Required" basis will require an explanation and justification for that classification. See *Recordkeeping Requirements* for additional information about recordkeeping.

The Office of Research should be contacted for any international shipment, or international transfer of commercial software code or confidential technical information, identified on an export control list.

CIHS' preferred export freight forwarder for more complex or sensitive international shipments, or for those shipments for which CIHS personnel would like individualized attention, is Tigers Global Logistics in Hayward, CA. Tigers' Export Manager may be contacted for assistance or to arrange for pickup at (510) 784-8920 ex. 2601. Tigers also serves as an import customs broker on CIHS' behalf and can assist in customs clearance for items purchased. Tigers' Import Manager can be reached at (510) 784-8920 ex. 2616.

Note also that specific training and documentation is needed whenever you are shipping chemicals, biologicals, or other dangerous materials.

## **8.4 Accepting a Third Party's Export Controlled Items or Information**

The conduct of fundamental research may proceed openly and its informational results shared freely with foreign nationals without regard to export licensing concerns. Export-controlled items, proprietary software source code, or confidential technical information provided by a third party, however, may not be openly shared with certain foreign nationals, even though those individuals may be important contributors to the performance of the fundamental research. For example, a corporate sponsor or a research collaborator may have to disclose confidential technical information in the form of background intellectual property (IP) such as the proprietary heat and vibration tolerances on a piece of export-controlled hardware it may be providing for use in carrying out a fundamental research experiment. Confidential technical information that is required for the development, production or use of export-controlled equipment is itself export-controlled. It carries with it export control restrictions that must be honored by the researcher who agrees to be a recipient of such information.

Before a researcher decides to accept such information, he or she must 1) review the conditions of the Institute's Openness in Research Policy and 2) notify the Office of Research of the need to receive the export-controlled information before it is disclosed. The OoR will review the proposed disclosure to assess potential deemed export licensing requirements. If the OoR concurs that receipt of such information is in compliance with Institute policy the researcher is free to receive the third party's export controlled information.

## **8.5 Export Controls and CIHS' Openness in Research Policy**

CIHS' Openness in Research Policy expresses our institutional commitment to "the principle of freedom of access by all interested persons to the underlying data, to the processes, and to the final results of research." This policy does not forbid nondisclosure agreements, but such a commitment may relate only to such information that is

substantially remote from the intellectually significant portions of the research unless otherwise approved by the Dean of Research. A promise not to disclose export-controlled information may be appropriate. It is preferable, though not required that keeping the confidentiality of that information will not disadvantage any other researchers on the same project and receipt of that information is not conditioned on submitting to restrictions on the right to publish. Clarifications of and exemptions to this policy are provided by the Dean of Research.

Once it is determined that the nondisclosure commitment does not violate the Openness in Research Policy, it must be determined that the intended recipient is in fact "eligible" under the regulations.

## **8.6 Export Controls and an Individual's Eligibility as a Recipient of Export Controlled Items, Software Code, or Information**

Generally, federal regulations require that only US persons as defined in the Definitions section of this document may be provided with export-controlled items, software code or information without having to obtain an export license. Nonetheless, there are some specific exemptions (ITAR) and license exceptions (EAR) available to those within the Institute community that may be useful. It is extremely important to keep them in mind should it become necessary to share any export-controlled items, software code or information beyond the original recipient. In addition, records must be kept in order to demonstrate compliance.

## **8.7 Recordkeeping Requirements**

Each of the relevant export control regulations contain specific recordkeeping requirements that must be satisfied. In addition, the Institute maintains its own recordkeeping requirements in order to document its commitment to, and compliance with, export control regulations generally.

Departments or programs must keep soft or hard copies of all export documentation, including Restricted Party Screens, financial records such as purchase orders and shipping documentation (commercial/pro forma invoices, packing lists, FedEx and other international freight forwarder/courier documents), in their research project files for a period of five years from the date of the export, reexport or controlled deemed export.

# **9. Intellectual Property**

## **9.1 Inventions, Patents, and Licensing**

Establishes policy and procedures for disclosure and assignment of ownership of potentially patentable inventions created in the course of work at CIHS or with more than incidental use of CIHS resources. Extends this requirement to faculty, staff, graduate students, undergraduate students, post doctoral scholars and visitors.

### **9.1.1. Patent Policy**

#### **A. CIHS Policy**

1. All potentially patentable inventions conceived or first reduced to practice in whole or in part by members of the faculty of the Institute in the course of their Institute responsibilities or otherwise shall be the sole property of the members of the faculty or staff who conceive them, regardless of the source of funding, if any.
2. All potentially patentable inventions conceived or first reduced to practice in whole or in part by members of the staff (including student employees) of the Institute in the course of their Institute responsibilities or with more than incidental use of Institute resources, shall be disclosed on a timely basis to the Institute. Title to such inventions shall be assigned to the Institute, regardless of the source of funding, if any.
3. The Institute shall share royalties from inventions assigned to the Institute with the inventor.
4. The inventors, acting collectively where there is more than one, are free to place their inventions in the public domain if they believe that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or related to the work.
5. If the Institute cannot, or decides not to, proceed in a timely manner to patent and/or license an invention, it may reassign ownership to the inventors upon request to the extent possible under the terms of any agreements that supported or related to the work.
6. Waivers of the provisions of Sections 2, 4, or 5 of this policy may be granted by the Dean of Research on a case-by-case basis, giving consideration among other things to Institute obligations to sponsors, whether the waiver would be in the best interest of technology transfer, whether the waiver would be in the best interest of the Institute and whether the waiver would result in a conflict of interest. In addition, the Dean of Research may expand upon these provisions and shall adopt rules, based on the same factors as well as appropriateness to the Institute's relationship with inventors, for the ownership of potentially patentable inventions created or

discovered with more than incidental use of Institute resources by: students when not working as employees of the Institute, by visiting scholars, and by others not in the Institute's employ.

## **B. Additional Provisions**

1. In addition to faculty and staff (including student employees), the provisions of the Institute's patent policy will extend to:
  - a. all graduate students and postdoctoral researcher
  - b. non-employees who participate or intend to participate in research projects at CIHS (including visiting faculty, industrial personnel, fellows, volunteers, etc.)
2. The policy will apply as stated for graduate students, postdoctoral researchers and non-employees. All potentially patentable inventions conceived or first reduced to practice in whole or in part in the course of their participation in research projects at CIHS, or with more than incidental use of Institute resources, shall be disclosed on a timely basis to the Institute, and title shall be assigned as appropriate. Assignment options include:
  - a. Title assignment to the Institute
  - b. Title assignment to the research's PI or co-PIs
  - c. Title assignment to the graduate student, postdoctoral researcher, or non-employee
  - d. Title assignment to the graduate student, postdoctoral researcher, or non-employee's faculty sponsor
  - e. Title assignment to some combination of the above

Assignment must be approved by the Dean of Research, and should be approved in advance. If no assignment is made, title shall be to the Institute, subject to the approval of a later waiver.

## **9.1.2. Administrative Procedures**

### **A. Office of Research**

Office of Research (OoR) is responsible for reviewing terms and conditions of the Institute's grants and contracts for compliance with Institute policies on intellectual property rights and openness in research.

### **B. Technology Licensing**

The Office of Research is also to promote the transfer of CIHS technology for society's use and benefit while generating unrestricted income to support research and education. OoR is responsible for the administration of the Institute's invention reporting and licensing program, the commercial evaluation of inventions, patent filing decisions, petitions to agencies for greater rights in inventions, and negotiation of licensing agreements with industry.

### **C. Alternative Disposition of Rights**

The inventor, or inventors acting collectively when there are more than one, is free to place inventions in the public domain if that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or governed the work. The Institute will not assert intellectual property rights when inventors have placed their inventions in the public domain.

If OoR cannot, or decides not to, proceed in a timely manner to patent and/or license an invention, OoR may reassign ownership to the inventor or inventors upon request to the extent possible under the terms of any agreements that supported or related to the work. In the case of an invention resulting from a government-sponsored project, where OoR cannot or chooses not to retain ownership, rights would then typically be retained by the government. In such cases, the inventor may request and be granted rights by the sponsoring agency to an invention made under such an award, provided that a well-conceived and detailed plan for commercial development accompanies the request.

#### **9.1.3. Licensing**

The Institute encourages the development by industry for public use and benefit of inventions and technology resulting from Institute research. It recognizes that protection of proprietary rights in the form of a patent or copyright are often necessary - particularly with inventions derived from basic research - to encourage a company to risk the investment of its personnel and financial resources to develop the invention. In some cases an exclusive license may be necessary to provide an incentive for a company to undertake commercial development and production. Nonexclusive licenses allow several companies to exploit an invention.

The research and teaching missions of the Institute always take precedence over patent considerations. While the Institute recognizes the benefits of patent development, it is most important that the direction of Institute research not be established or unduly influenced by patent considerations or personal financial interests.

OoR handles the evaluation, marketing, negotiations and licensing of Institute-owned inventions with commercial potential. Royalty distribution is as follows:

#### **1. Cash Royalties**

A deduction of 15% to cover the administrative overhead of OoR is taken from gross royalty income, followed by a deduction for any directly assignable expenses, typically patent filing fees. After deductions, royalty income is divided one third to the inventor, one third to the inventor's department or school and one third to the Institute. In the case of Independent Laboratories and Independent Research Centers or Institutes, which report directly to the President or Dean of Research (who is the cognizant Dean for these research units), the inventor may assign to his or her Independent Laboratory, Center or Institute the department's third of the royalty income or a part thereof, based on support of the work. Similarly, when more than one department is involved, the inventor shall designate the distribution of the department and school thirds based on support of the work. Disagreements involving royalty distribution will be reviewed and resolved by OoR; involved parties may appeal to the Dean of Research.

## **2. Equity**

CIHS may at times accept equity as part of the license issue fee. Net equity, i.e., the value of the equity after the deduction of 15% to cover OoR administrative costs, will be shared between the Inventor(s) and the Institute. The Institute's share of equity will be managed by the California Institute for Human Science, FPC. (All other cash payments, including royalties based on sales, will be distributed in accordance with the provisions of (1) above.) See Equity Acquisition in Technology Licensing Agreements.

### **9.1.4. Background**

#### **A. What is a Patent?**

A U.S. patent is a grant issued by the U.S. Government giving an inventor the right to exclude all others from making, using, or selling the invention within the United States, its territories and possessions for a period of 20 years. When a patent application is filed, the U.S. Patent Office reviews it to ascertain if the invention is new, useful, and nonobvious and, if appropriate, grants a patent - usually two to five years later. Other countries also grant similar patents. Not all patents are necessarily valuable or impervious to challenge.

#### **B. What is an Invention?**

An invention is a novel and useful idea relating to processes, machines, manufactures, and compositions of matter. It may cover such things as new or improved devices, systems, circuits, chemical compounds, mixtures, etc. It is probable that an invention has been made when something new and useful has been conceived or developed, or when unusual, unexpected, or nonobvious results have been obtained and can be exploited.

An invention can be made solely or jointly with others as coinventors. To be recognized legally, a coinventor must have conceived of an essential element of an invention or contributed substantially to the general concept.

## **C. Patentability**

Not all inventions are patentable. Questions relating to patentability are often complex and usually require professional assistance.

1. General criteria for patentability. An important criterion of patentability is that an invention must not be obvious to a worker with ordinary skill in that particular field. It must also be novel, in the sense that it not have been previously publicly known or used by others in this country or patented or described in a printed publication anywhere.
2. Loss of patentability. Inventions that are patentable initially may become unpatentable for a variety of reasons. An invention becomes unpatentable in the United States unless a formal application is filed with the U.S. Patent Office within 12 months of disclosure in a publication or of any other action which results in the details of the invention becoming generally available.
3. Circumstantial impairment of patentability. Many other circumstances may impair patentability, such as lack of "diligence." For example, unless there is a record of continuous activity in attempting to complete and perfect an invention, it may be determined that the invention has been abandoned by the initial inventor, and priority given to a later inventor who showed "due diligence."
4. International variation of patentability regulations. Regulation covering the patentability of inventions and application filing procedures vary from country to country and are subject to change. It is important to note that an invention is unpatentable in most foreign countries unless a patent application is filed before publication.

## **D. Value of Unpatented Inventions**

An invention, although unpatentable for various reasons, may still be valuable and important - for example, trade secrets and technical "know-how" encompassing proprietary information of a valuable and confidential nature.

Agencies sponsoring research at CIHS usually require reports of all inventions, whether or not they are considered patentable.

# **9.2 Copyright Policy**

Establishes CIHS policy on copyright ownership and defines administrative procedures for policy implementation.

## **9.2.1. Introduction**



This document describes CIHS policies and associated administrative procedures for copyrightable materials and other intellectual property. Its objectives are:

- to enable the Institute to foster the free and creative expression and exchange of ideas and comment
- to preserve traditional Institute practices and privileges with respect to the publication of scholarly works
- to establish principles and procedures for sharing income derived from copyrightable material produced at the Institute
- to protect the Institute's assets and imprimatur

### **9.2.2. General Policy Statement**

Copyright is the ownership and control of the intellectual property in original works of authorship which are subject to copyright law. It is the policy of the Institute that all rights in copyright shall remain with the creator unless the work is a work-for-hire (and copyright vests in the Institute under copyright law), is supported by a direct allocation of funds through the Institute for the pursuit of a specific project, is commissioned by the Institute, makes significant use of Institute resources or personnel, or is otherwise subject to contractual obligations.

#### **A. Books, Articles and Similar Works, Including Unpatentable Software**

In accord with academic tradition, except to the extent set forth in this policy, CIHS does not claim ownership to pedagogical, scholarly, or artistic works, regardless of their form of expression. Such works include those of students created in the course of their education, such as dissertations, papers and articles. The Institute claims no ownership of popular nonfiction, novels, textbooks, poems, musical compositions, unpatentable software, or other works of artistic imagination which are not institutional works and did not make significant use of Institute resources or the services of Institute non-faculty employees working within the scope of their employment.

#### **B. Institutional Works**

The Institute shall retain ownership of works created as institutional works. Institutional works include works that are supported by a specific allocation of Institute funds or that are created at the direction of the Institute for a specific Institute purpose. Institutional works also include works whose authorship cannot be attributed to one or a discrete number of authors but rather result from simultaneous or sequential contributions over time by multiple faculty and students. For example, software tools developed and improved over time by multiple faculty and students where authorship is not appropriately attributed to a single or defined group of authors would constitute an

institutional work. The mere fact that multiple individuals have contributed to the creation of a work shall not cause the work to constitute an institutional work.

### **C. Patent and Copyright Agreement**

All faculty, staff, student employees, graduate students and postdoctoral fellows, as well as non-employees who participate or intend to participate in research projects at CIHS are bound by this policy. This policy applies, and those subject to this policy are deemed to assign their rights to copyrightable works.

Royalty income received by the Institute for such works will normally be distributed in accordance with Institute policy (see the Royalty Distribution section). Physical embodiments of copyrightable works may also be subject to the Institute's policy on Tangible Research Property, also found in this document.

### **D. Works of Non-Employees**

Under the Copyright Act, works of non-employees such as consultants, independent contractors, etc. generally are owned by the creator and not by the Institute, unless there is a written agreement to the contrary. As it is CIHS' policy that the Institute shall retain ownership of such works (created as institutional rather than personal efforts, as described above), CIHS will generally require a written agreement from non-employees that ownership of such works will be assigned to the Institute. Examples of works which the Institute may retain non-employees to prepare are:

- reports by consultants or subcontractors
- computer software
- architectural or engineering drawings
- illustrations or designs
- artistic works

### **E. Videotaping and Related Classroom Technology**

Courses taught and courseware developed for teaching at CIHS belong to CIHS. Any courses which are videotaped or recorded using any other media are CIHS property, and may not be further distributed without permission from the cognizant academic dean. Blanket permission is provided for evanescent video or other copies for the use of students, or for other Institute purposes. Prior to videotaping, permission should be obtained from anyone who will appear in the final program.

### **F. Contractual Obligations of the Institute**

This Copyright Policy shall not be interpreted to limit the Institute's ability to meet its obligations for deliverables under any contract, grant, or other arrangement with third parties, including sponsored research agreements, license agreements and the like. Copyrightable works that are subject to sponsored research agreements or other contractual obligations of the Institute shall be owned by the Institute, so that the Institute may satisfy its contractual obligations.

## **G. Reconveyance of Copyright to Creator**

When copyright is assigned to CIHS because of the provisions to this policy, the creator of the copyrighted material may make a request to the Dean of Research that such ownership be reconveyed back to the creator. Such a request can at the discretion of the Dean.

## **9.2.3. Explanations of Terms**

### **A. Copyright**

#### **1. Copyrightable Works**

Under the federal copyright law, copyright subsists in "original works of authorship" which have been fixed in any tangible medium of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. These works include:

- Literary works such as books, journal articles, poems, manuals, memoranda, tests, computer programs, instructional material, databases, bibliographies;
- Musical works including any accompanying words;
- Dramatic works, including any accompanying music;
- Pantomimes and choreographic works (if fixed, as in notation or videotape);
- Pictorial, graphic and sculptural works, including photographs, diagrams, sketches and integrated circuit masks;
- Motion pictures and other audiovisual works such as videotapes;
- Sound recordings.

#### **2. Scope of Copyright Protection**

Copyright protection does not extend to any idea, process, concept, discovery or the like, but only to the work in which it may be embodied, illustrated, or explained. For example, a written description of a manufacturing process is copyrightable, but the copyright only prevents unauthorized copying of the description; the process described could be freely copied unless it enjoys some other protection, such as patent.

Subject to various exceptions and limitations provided for in the copyright law, the copyright owner has the exclusive right to reproduce the work, prepare derivative works, distribute copies by sale or otherwise, and display or perform the work publicly. Ownership of copyright is distinct from the ownership of any material object in which the work may be embodied. For example, if one purchases a videotape, one does not necessarily obtain the right to make a public showing for profit.

The term of copyright in works created on or after January 1, 1978, is the life of the author plus seventy years. Copyright in works-for-hire is for ninety-five years from the date of first publication or one hundred twenty years from creation, whichever period first expires.

## **B. Works for Hire**

"Work for hire" is a legal term defined in the Copyright Act as "a work prepared by an employee within the scope of his or her employment." This definition includes works prepared by employees in satisfaction of sponsored agreements between the Institute and outside agencies. Certain commissioned works also are works for hire if the parties so agree in writing.

The employer (i.e., the Institute) by law is the "author", and hence the owner, of works for hire for copyright purposes. Works for hire subject to this principle include works that are developed, in whole or in part, by Institute employees for use by the Institute. Where a work is jointly developed by Institute faculty or staff or student employees and a non-Institute third party for use by the Institute, the copyright in the resulting work typically will be jointly owned by the Institute and the third party. In such instances, both the Institute and the other party would have nonexclusive rights to exploit the work, subject to the duty to account to each other. Whether the Institute claims ownership of a work will be determined in accordance with the provisions of this policy, and not solely based upon whether the work constitutes a work-for-hire under the copyright law. For example, copyright in pedagogical, scholarly or artistic works to which the Institute disclaims ownership under this policy shall be held by the creators regardless of whether the work constitutes a work-for-hire under copyright law. Institute ownership in a work for hire may be relinquished only by the President or Dean of Research.

### **9.2.4. Policy Concerning Online Instruction**

Under existing Institute policy, courses taught and courseware developed by faculty for CIHS while employed by the Institute belong to CIHS unless agreements or approvals exist which exempt them from this policy. This policy applies regardless of the form of expression, including courses captured on video or in other digital forms. However, faculty are permitted to make written course materials they personally create available to peers at other academic institutions for noncommercial academic or personal use outside the Institute. Additionally, if a faculty member leaves the Institute, he or she

may continue to use, at another academic institution, course material he or she created at CIHS.

Faculty creating textbooks that include additional course materials should not allow publishers to assert broad control over derivative works and limit the ability of the faculty member or the Institute to use and distribute the course materials in the future. Faculty may include course materials owned by the Institute in textbooks under a free license from the Institute; however, the faculty member's contract with a publisher should contain terms acknowledging the Institute's ownership interest in the course materials and require prior consent by the Institute for the creation and distribution of derivative works.

Consistent with the existing Institute policies regarding the commercialization of inventions, any commercialization of course content and courseware created and taught at CIHS will be undertaken by the Institute. The Institute will not, however, undertake any commercialization without the agreement of the faculty-creator and will ensure that any revenue arising from commercialization will be shared with the creators, their departments and schools, as is done with patent income.

#### **9.2.5. Externally Obtained or Licensed Instruction**

Instructional materials used at CIHS, including entire classes, that are obtained by licensing or purchase from an outside source remain the sole property of the outside copyright holder. This remains the case even when the outside provider or one or more content creators of the outside content is affiliated in some way with CIHS, including as faculty or staff. Persons affiliated with CIHS are free to make their own courses and other instructional material and provide them to CIHS and elsewhere, either for free or for an agreed upon fee. At no time will these courses be considered the intellectual property of California Institute for Human Science even if they were made more than incremental use of CIHS resources.

### **9.3 Administration of Copyright Policy**

#### **9.3.1. Determinations of Ownership and Policy in Unclear Cases**

Questions of ownership or other matters pertaining to materials covered by this policy shall be resolved by the Dean of Research (or his or her designee). For academic and research issues, the Dean of Research is the President's designee.

#### **9.3.2. Licensing and Income Sharing**

##### **A. Licensing**

OoR seeks the most effective means of technology transfer for public use and benefit and, toward that end, handles the evaluation, marketing, negotiations, and licensing of Institute-owned inventions or copyrightable materials with commercial potential. Computer databases, software and firmware, and other copyrightable works owned by the Institute, are licensed through OoR. Exceptions to this procedure must be approved in advance by the Dean of Research.

## **B. Royalty Distribution**

Royalties will normally be allocated in accordance with the Institute's policy on Inventions, Patents, and Licensing. If copyright protection alone is claimed, royalties normally will be allocated in a similar manner, with the "inventor's share" allocated among individuals identified by the investigator (or department head if not under a sponsored agreement), based on their relative contributions to the work. Where royalty distribution to individuals would be impracticable or inequitable (for example, when the copyrightable material has been developed as a laboratory project, or where individual royalty distribution could distort academic priorities), the "inventor's share" may be allocated to a research or educational account in the laboratory where the copyrightable material was developed. Such determination will be made on a case-by-case basis by the Office of Research after consultation with the PI or department head, and is subject to the approval of the Dean of Research.

## **C. Assignments**

No assignment, license or other agreement may be entered into or will be considered valid with respect to copyrighted works owned by the Institute except by an official specifically authorized to do so. Authorized officials are the President and Dean of Research.

### **9.3.3. Use of the Institute Name in Copyright Notices**

The following notice should be placed on Institute-owned materials in order to protect the copyright: Copyright © [year] California Institute for Human Science, FPC. All Rights Reserved.

No other institutional or departmental name is to be used in the copyright notice, although the name and address of the department to which readers can direct inquiries may be listed below the copyright notice. The date in the notice should be the year in which the work is first published, i.e. distributed to the public or any sizable audience. Additionally, works may be registered with the United States Copyright Office using its official forms. Forms may be obtained from the Office of Research, to which questions concerning copyright notices and registration also may be addressed.

### **9.3.4. Copying of Works Owned by Others**

Members of the Institute community are cautioned to observe the rights of other copyright owners. Contact the Dean of Faculty's office for Institute policies pertaining to copying for classroom use. Policies regarding copying for library purposes may be obtained from the Librarian.

### **9.3.5. Sponsored Agreements**

Contracts and grants frequently contain complex provisions relating to copyright, rights in data, royalties, publication and various categories of material including proprietary data, computer software, licenses, etc. Questions regarding the specific terms and conditions of individual contracts and grants, or regarding rules, regulations and statutes applicable to the various government agencies, should be addressed to the Institute's Office of Research.

### **9.3.6. General Advice and Assistance**

The Office of Research is available to advise on questions arising under this policy, and to assist with the negotiation and interpretation of the provisions of proposed formal agreements with third parties, as described earlier in the sections.

## **9.4 Tangible Research Property**

Establishes CIHS policy for ownership and distribution of tangible property resulting as a product or by-product of research activities.

### **9.4.1. Introduction**

The following policy and procedures are directed toward the administration and distribution of Tangible Research Property (TRP), which is owned and/or controlled by CIHS. The policy and procedures are subject to CIHS' contractual obligations and are to be interpreted and applied consistent with and complementary to CIHS' other policies affecting the administration of tangible properties

### **9.4.2. Definition of Tangible Research Property (TRP)**

TRP is defined for purposes of this Policy as tangible (or corporeal) items produced in the course of research projects supported by CIHS or by external sponsors. TRP includes such items as: biological materials, engineering drawings, computer software, integrated circuit chips, computer databases, prototype devices, circuit diagrams, equipment.<sup>[L]  
[SEP]</sup>

TRP is separate and distinct from intangible (or intellectual) property such as inventions, patents, copyright and trademarks which are subject to other policies and

guidelines. Individual items of TRP may be associated with one or more intangible properties such as copyright or patents.

### **9.4.3. Ownership of TRP**

TRP normally is either owned by CIHS, the researchers who create the TRP, or is subject to the ownership and other provisions of contracts and grants.

#### **A. CIHS Policy**

1. All TRP created in whole or in part by members of the faculty of the Institute in the course of their Institute responsibilities or otherwise shall be the sole property of the members of the faculty or staff who conceive them, regardless of the source of funding, if any, subject to the ownership and other provisions of award contracts and grants.
2. All potentially patentable inventions conceived or first reduced to practice in whole or in part by members of the staff (including student employees) of the Institute in the course of their Institute responsibilities or with more than incidental use of Institute resources, shall be disclosed on a timely basis to the Institute. Title to such inventions shall be assigned to the Institute, regardless of the source of funding, if any subject to the ownership and other provisions of award contracts and grants.
3. The TRP creators, acting collectively where there is more than one, are free to place their TRP in the public domain if they believe that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or related to the work.
4. If the Institute cannot, or decides not to, proceed in a timely manner to license TRP, it may reassign ownership to the creators upon request to the extent possible under the terms of any agreements that supported or related to the work.
5. Waivers of the provisions of Sections 2, 3, or 4 of this policy may be granted by the Dean of Research on a case-by-case basis, giving consideration among other things to Institute obligations to sponsors, whether the waiver would be in the best interest of technology transfer, whether the waiver would be in the best interest of the Institute and whether the waiver would result in a conflict of interest. In addition, the Dean of Research may expand upon these provisions and shall adopt rules, based on the same factors as well as appropriateness to the Institute's relationship with TRP creators, for the ownership of TRP created or discovered with more than incidental use of Institute resources by: students when not working as employees of the Institute, by visiting scholars, and by others not in the Institute's employ.

#### **B. Additional Provisions**

1. In addition to faculty and staff (including student employees), the provisions of the Institute's TRP policy will extend to:



- a. all graduate students and postdoctoral researcher
  - b. non-employees who participate or intend to participate in research projects at CIHS (including visiting faculty, industrial personnel, fellows, volunteers, etc.)
- 2. The policy will apply as stated for graduate students, postdoctoral researchers and non-employees. All TRP conceived or first reduced to practice in whole or in part in the course of their participation in research projects at CIHS, or with more than incidental use of Institute resources, shall be disclosed on a timely basis to the Institute, and ownership shall be assigned as appropriate. Assignment options include:
  - a. Ownership assignment to the Institute
  - b. Ownership assignment to the research's PI or co-PIs
  - c. Ownership assignment to the graduate student, postdoctoral researcher, or non-employee
  - d. Ownership assignment to the graduate student, postdoctoral researcher, or non-employee's faculty sponsor
  - e. Ownership assignment to some combination of the above

Assignment of ownership must be approved by the Dean of Research, and should be approved in advance. If no assignment is made, title shall be to the Institute, subject to the approval of a later waiver.

#### **9.4.4. Control of TRP**

##### **A. Freedom of Access**

It is CIHS' policy to promote the prompt and open exchange of TRP and associated research data with scientific colleagues outside the investigator's immediate laboratory.

##### **B. Control Responsibilities**

It is the responsibility of the PI (or laboratory director or department chairperson, if the TRP is not developed as part of a sponsored research project) to control the development, storage, use, and distribution of TRP made in the course of research activity, subject to provisions of applicable grants or contracts and Institute policy. Such control includes determining if and when distribution of the TRP is to be made beyond the laboratory for others' scientific use.

##### **C. Commercial Considerations**

Because TRP may have potential commercial value as well as scientific value, the investigator may wish to make TRP broadly available for others' scientific use by means which do not diminish its value or inhibit its commercial development or public use. Because valid non-commercial reasons may exist for the temporary delay of TRP distribution outside the laboratory for other's scientific use (e.g., safety factors or the need to more fully characterize the TRP prior to distribution, etc.) scientific exchanges may be inhibited due to potential commercial considerations.

#### **9.4.5. Income From TRP**

##### **A. Recoverable Costs**

TRP that is majority owned by the Institute may be sold or licensed for profit. The Institute may also consent to the sale or licensing of TRP which it is a minority owner of. Licensing agreements that include provision for royalty income may be negotiated for commercial use of the intangible property rights associated with the TRP. When distributing TRP to research colleagues outside the laboratory, costs of the raw materials and handling may be recovered from the recipient, with the income returned to the account which funded those costs.

##### **B. Contractual Obligations**

If any of the initial costs were funded from sponsored agreements, the Office of Research (OoR) should be asked to advise on the contractual obligations regarding distribution of the TRP and disposition of the recovered costs. If any costs are charged for TRP distribution, adequate documentation must be maintained for audit purposes.

#### **9.4.6. Purpose of the TRP Procedures**

The following procedures for identification and distribution of TRP are designed to aid the traditional open distribution and exchange of TRP for research purposes, preserve the potential commercial value of TRP, assist the further development of TRP for public use, and protect the Institute and its employees from liability claims arising from the use of CIHS TRP by others.

#### **9.4.7. Identification of TRP**

##### **A. Identification System**

Each item of TRP should have an unambiguous identification code and name sufficient to distinguish it from other similar items developed at CIHS or elsewhere.

The Office of Research (OoR) should be consulted for assistance in developing appropriate identification systems and for information regarding use of existing Institute systems.

## **B. Ownership Marks**

Where applicable (e.g. computer software), each item should also carry the name of the TRP owner and such other marks and legends as may be required to meet CIHS' contractual obligations and administrative needs, including notice of copyright, trademark, government right etc.

Information regarding identification, marks, and legends required under research contracts and grants can be obtained from the OoR.

### **9.4.8. Distribution of TRP for Research Purposes**

#### **A. Biological TRP**

##### [1. Transmittal Letter](#)

Each distribution for non-commercial research purposes should be accompanied by a letter of transmittal which includes the following, or equivalent, wording:

*"For CIHS' records, please indicate your agreement (1) to accept (insert Biological Registry No. or Formal Description of Contents) to be used only for non-clinical research by you in your research laboratory, and (2) to not distribute (insert Biological Registry No. or Formal Description of Contents) to any other individual or entity, by signing and returning a copy of this letter to me."*

##### [2. Precautionary Language](#)

If there is a possibility of biohazard or other risk associated with the transport, storage or use of a particular TRP, or if the recipient is likely to use the TRP for clinical research, (the Office of Research should be consulted for advice regarding appropriate precautionary language in the TRP distribution agreement). (Note: For information about regulations regarding transfer of infectious agents or recombinant DNA material, contact the Office of Environmental Health and Safety.)

#### **B. Software TRP**

TRP Distribution, for research purposes only, of computer software owned by CIHS may be made without restrictions if control of subsequent use by the PI is not desired. For example, a PI may wish recipients to follow a specific research protocol. Any such distribution is subject to the applicable contract or grant provisions and an agreement by the recipient that commercial development of the software is not to be undertaken.

##### [1. Distribution Agreement](#)

If software owned by CIHS has commercial value or if it is considered desirable to control subsequent use, distribution for research purposes must be coordinated with OoR and must be accompanied by an appropriate agreement with the recipient. OoR will arrange for trademark and copyright registration as needed. OoR will also provide

wording for the distribution agreement as necessary to preserve commercial value and provide coordination with existing or prospective commercial licensing activities.

## 2. Contractual Obligations

When software results from sponsored research, OoR should be consulted regarding contractual obligations and regulations affecting ownership, disposition of various rights, and restrictions on the distribution and use of TRP and any associated income.

### **C. Other Forms of TRP**

Distribution of TRP other than biological products should normally follow the procedures outlined above for the example of computer software.

## **9.4.9. Distribution of TRP for Commercial Purposes**

### **A. Distribution Agreement**

If TRP developed and owned by CIHS as a result of research activities is to be distributed to outside users for commercial purposes, the distribution agreement must contain provisions negotiated by OoR covering the terms under which the property may be used, limits on the Institute's liability for the property or products derived therefrom, and disposition of any royalty income to CIHS from licensing of intangible property rights associated with the use of the tangible property.

### **B. Income Distribution**

Distribution of any TRP-related royalty income other than patent royalties will be similar to the patent royalty income distribution policy (see "Inventions, Patents and Licensing," ). If there is no primary creator or creators to credit, the "inventor's share" will normally be distributed to a research account in the laboratory which produced the TRP (subject to any contractual obligations regarding distribution of income). Questions regarding distribution of any royalty income to individuals should be referred to OoR. Any distribution to individuals is subject to prior approval of the Dean of Research.

### **C. Contractual Obligations**

If the TRP results from sponsored research, OoR should be consulted regarding contractual obligations and regulations affecting ownership, notices, acknowledgements, disposition of various rights, and restrictions on the distribution and use of the TRP and any associated income.

## **9.5 Other Intellectual Property: Trademarks, Patents and Proprietary Information**

Establishes Institute policy for Trade and Service Marks and Proprietary Information.

### **9.5.1. Trade and Service Marks**

Trade and service marks are distinctive words or graphic symbols identifying the sources, product, producer, or distributor of goods or services. Trade or service marks relating to goods or services distributed by the Institute shall be owned by the Institute. Examples include names and symbols used in conjunction with computer programs or Institute activities and events. Consult the Office of Research for information about registration, protection, and use of marks.

### **9.5.2. Patents**

See CIHS policy on Inventions, Patents, and Licensing, in this policy handbook.

### **9.5.3. Proprietary Information**

Proprietary business information related to the Institute arising out of Institute work (e.g., actual and proposed terms of research agreements, financial arrangements, or confidential business information) shall be owned by the Institute.

### **9.5.4. Tangible Research Property**

The Institute encourages the prompt and open exchange, for other's scholarly use, of software, firmware and biological material resulting from research. See CIHS' policy on Tangible Research Property elsewhere in this policy manual.

## **10. Establishing and Managing Independent Laboratories, Institutes and Centers**

### **10.1 Establishing and Managing Independent Laboratories, Institutes and Centers**

Discusses Independent Laboratories, Institutes and Centers at CIHS. Defines terms, presents considerations and procedures for establishing and managing them.

### **10.1.1. Introduction**

CIHS' ability to promote interdisciplinary scholarship and research is enhanced by the existence of Independent Laboratories, Institutes, and Centers, which exist outside of organized schools and departments. These units facilitate faculty research into new areas while offering students and others a unique opportunity to explore interdisciplinary studies that extend beyond the boundaries of traditional programs, departments, and schools.

However, because these entities represent exceptions to the principle of organizing our research programs within regular academic channels, they may create unique challenges that must be addressed in order for them to succeed.

This policy sets forth considerations, guidelines, and procedures for establishing and managing Independent Laboratories, Institutes, and Centers at CIHS.

### **10.1.2. Definitions**

The terms "Laboratory", "Institute", or "Center" may be used informally to designate research efforts or programs within single departments. Alternatively, they may be more formally structured between several departments within one school, or as separate organizational units reporting to a school dean. As used in this policy, the term "Independent Laboratory, Institute, and Center" designates those formally-organized research or scholarly programs which involve faculty members from more than one School, and which report to the Dean of Research. These entities have the following characteristics:

1. They must be directed by faculty or at least one Institute officer or dean.
2. They do not confer degrees.
3. Typically, they may or may not have faculty billets which exist outside regular academic departments. Designated centers or institutes may be authorized to appoint other positions such as scientists and fellows.
4. They may be involved in a disciplinary or inter/transdisciplinary research.

The terms interdisciplinary and transdisciplinary research describe research collaboration across at least two disciplines of study. The purpose of these forms of research is to break down the barriers between traditional areas of study in order to solve complex problems at the intersection of various disciplines. Such collaborations are essential in the search for solutions to significant global and societal problems.

### **10.1.3. Rationale and Impact**

Independent Laboratories, Institutes, and Centers extend the Institute's research to areas that go beyond the boundaries of traditional departments and may require mutual

effort by faculty from various disciplines. They create a programmatic focus to multidisciplinary research that helps to attract new faculty and external funding. They also create demands for incremental Institute resources in the form of funding, space, and/or administration. These entities directly and indirectly influence the interactions, program directions, and priorities of faculty and graduate students and their relationships to their academic departments. Therefore, the impact of proposed Independent Laboratories, Institutes, or Centers must be carefully assessed before they are approved.

#### **10.1.4. Procedures**

Faculty interested in establishing a new Independent Laboratory, Institute, or Center should first informally discuss their proposal with their department chairs, school deans, and the Dean of Research. If the cognizant chairs and deans endorse the concept, a proposal should be submitted to the Dean of Research.

As a CIHS research unit, all regulatory requirements related to the conduct of research, including those dealing with environmental health and safety, protection of human or animal subjects, and fiscal management are applicable to Independent Laboratories, Institutes and Centers. Inasmuch as these units do not report to any particular school, the organizations responsible for providing guidance and monitoring in areas concerning research compliance should be clearly defined.

Faculty members preparing such proposals are advised to consult in advance with the the Dean of Research.

## **11. Definitions and Types of Agreements**

### **11.1 Gift vs. Sponsored Projects and Distinctions from Other Forms of Funding**

Defines sponsored projects, as distinguished from gifts, student aid and other supported activities and provides guidance related to making these distinctions.

#### **11.1.1. Introduction**

Both sponsored projects and gift-funded activities are externally-supported, with funds provided typically in response to a request or proposal. The classification of funding as "gift" or "sponsored project" will affect, among other things, the way California Institute for Human Science accounts for the funds, calculates and applies indirect (F&A) costs, and reports on the use of the funds to the sponsor or donor. For definitions of the various types of sponsored projects, see Categories of Sponsored Projects.

### **11.1.2. Definition of Sponsored Projects**

Sponsored Projects are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into by California Institute for Human Science and by the sponsor. A sponsored project may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value.

The following conditions characterize a sponsored project agreement, and help to distinguish such agreements from gifts.

#### **A. Statement of Work**

Sponsored projects are typically awarded to CIHS in response to a detailed statement of work and commitment to a specified project plan. As described below, this statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by California Institute for Human Science to the sponsor for competitive review.

#### **B. Detailed Financial Accountability**

The sponsored project agreement includes detailed financial accountability, typically including such conditions as:

- a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
- a requirement to return any unexpended funds at the end of that period
- regular financial reporting and audit, including, for federal and state awards, accountability under the terms of OMB A-21, OMB-110 or the Uniform Guidance

A sponsored project budget will include the Institute's full negotiated indirect (F&A) cost rate unless a waiver of those costs has been approved. These conditions generally define the level of financial accountability associated with a sponsored project. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.

#### **C. Disposition of Properties ("Deliverables")**

Sponsored project agreements also usually include terms and conditions for the disposition of tangible properties (e.g., equipment, records, specified technical reports, theses, or dissertations) or intangible properties (e.g., rights in data, copyrights, and



inventions). The presence of such terms and conditions in the agreement indicate that the activity is a sponsored project.

### **11.1.3. Definition of Gifts**

A gift, on the other hand, is defined as any item of value given to the Institute by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. In general, the following characteristics describe a gift:

1. A proposal/request may be submitted to the potential donor that includes a description of the proposed activities, with the understanding that the description of proposed activities is not intended as a commitment to a specific line of inquiry.
2. Gifts may be accompanied by an agreement that restricts the use of the funds to a particular purpose. Beyond that, no contractual requirements are imposed (beyond the requirements of responsible stewardship) and there are no "deliverables" to the donor, e.g., no rights to tangible or intellectual property.
3. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."
4. CIHS agrees to use restricted gifts as the donor specifies, and does not accept gifts that it cannot use as the donor intends. If circumstances change such that a gift cannot be used as the donor specified, the donor must approve a change in the original restriction if possible. If deemed necessary, CIHS may receive court approval to waive the restriction (if the donor cannot be contacted). In the unusual event of old awards that details cannot be identified for, the Institute may approve changes in the purpose of a gift. Changes in purpose and disbursements of funds that follow them can only be granted by the President or Dean of Research.

### **11.1.4. Definitions of Fellowships, Scholarships and Other Student Aid**

Fellowships are awards of financial support to individual named students or postdoctoral scholars, or to California Institute for Human Science on behalf of individual named students or postdoctoral scholars. At CIHS, fellowships funds are normally categorized as an award of "Student Aid". However where the award of funding is made to California Institute for Human Science, where CIHS names the individuals to receive the support, and where the funds are to support research training, the funds are treated as a research training grant, a type of sponsored research project.

In order to facilitate the proper handling of fellowship support, the following procedures apply to proposal and award processes:

#### **A. Undergraduate or Graduate Students (External Funding)**

Students may apply for external fellowships in their own name. The process for submitting proposals will vary, depending on whether an institutional endorsement of the application is required by the funding source.

1. Submissions requiring an institutional endorsement are submitted through the Office of Research (OoR).
2. Submissions which do not require an institutional endorsement may be submitted directly by the student.

Where funds are given to California Institute for Human Science to support named undergraduate or graduate students, those funds are received and processed through the Financial Aid Office, which administers the distribution of funds. California Institute for Human Science classifies these funds as “Student Aid.”

## **B. Postdoctoral Scholars**

Postdoctoral Scholars who wish to apply for external fellowship funding that relates to research must submit their application in consultancy with OoR. Awarded funds are received and processed by the Accounting Office, which administers the distribution of funds.

Postdoctoral Fellowships are not normally defined as sponsored projects. However, because they typically provide support for the recipient’s research activities, applications are processed with support of the research administration offices of the Institute. This process helps to assure appropriate internal controls as well as the inclusion of costs in the appropriate base for the calculations of CIHS’ indirect (F&A) cost rates and the appropriate classification of the research space.

### **11.1.5. Implementation and Administrative Issues**

#### **A. Guidance for Properly Distinguishing Gifts from Sponsored Projects**

1. [Distinctions Based on Source of Funds](#)

Any funding provided by U.S. Government agencies, at the federal, state, or local level, in support of CIHS activities is a sponsored project. Government funds are not gifts.

2. [Distinctions Based on Intent of Donor/Sponsor](#)

In remaining cases, e.g., where funding is being provided by corporations, foundations or others not specified above, the distinction between gifts and sponsored projects will be made based on the proposal, statement of work, and terms of the agreement, taking into consideration the intent of the donor/sponsor.

In some situations, communication, including the proposal and award as well as conversations, makes it clear that the donor's/ sponsor's intent is to classify an award to CIHS as either a gift or a sponsored project. In these cases, the terms of the accompanying agreement may have to be adjusted in consultation with the donor/sponsor in order to clearly document the intent and avoid unintended classification.

## **B. Administrative Issues**

### **1. [Decision-Making in Unclear Situations](#)**

In some cases, the distinction between gift and grant, i.e., between a gift and a sponsored project, can be difficult to draw. Donors may sometimes use the word "grant" when the donation qualifies as a "gift" or vice versa. To ensure proper classification of gifts the CIHS Gift Transmittal system must be used. If there are questions about the analysis or the user is unable to make a determination of *gift* or *sponsored project*, contact the OoR.

### **2. [Donor/Sponsor Relations](#)**

In resolving issues related to the classification of an award, CIHS personnel must maintain an appropriate balance between the interests and preferences of the donor/sponsor and the Institute's administrative policies and objectives. In the process of resolving these issues it may be necessary to contact the donor/sponsor for clarification of intent and requirements, and/or to discuss the planned use of the funds.

If after consultation with the donor/sponsor there are still uncertainties about the donor/sponsor intent, a Conditions of Gift Letter should be used. Such contacts are usually best handled by the faculty member or Institute affiliated party who initiated the activity.

### **3. [Account Set-Up](#)**

The accounting office is responsible for establishing and maintaining all accounts for sponsored projects and gifts. It is the PIs responsibility to work with the Accounting office to ensure the proper setup, ongoing maintenance, reporting, auditing, and so forth of his or her research account(s).

### **4. [Indirect \(Facilities & Administrative \(F&A\)\) Cost Implications](#)**

CIHS' policy is to apply the Institute's full applicable indirect (F&A) cost rate to all sponsored projects. Gift funds will be assessed an infrastructure charge set by California Institute for Human Science, in accordance with the Institute's standard policies. See in Related Items below in Indirect Cost (F&A) Waivers for guidance relating to requesting waivers of indirect (F&A) costs. Indirect (F&A) costs are not charged on Fellowships, Scholarships or other student aid.

#### **11.1.6. Attachment A. Job aid for Determining Whether Funding is a Gift or Support for a Sponsored Project**

Attachment A. to this policy, the Job Aid for *Determining Whether Funding is a Gift or Support for a Sponsored Project*, reflects the on-line process through the Gift Transmittal System. This job aid is not intended to be used in routing a gift but only as a tool to help assist the user in the determination. A printable copy can be found on the OoR website.

**Attachment A**  
**Job Aid**  
**Determining Whether Funding is a Gift or Sponsored Project**

PI/Recipient: \_\_\_\_\_ Dept: \_\_\_\_\_

Donor/Sponsor: \_\_\_\_\_

Project Title: \_\_\_\_\_

Obtain all the documentation associated with the funding. Documentation should include all of the items listed below:

- ✓ Copy of proposal or request that includes the statement of work or project description and any budget information
- ✓ Award letter or agreement that defines donor/sponsor expectations

Review documentation for indications that will help you to complete the questions below for determining if the funding should be considered a *sponsored project* or a *gift*.

**Section 1 – Donor/Sponsor Type**

1. Donor/sponsor is a branch of a federal, state, or local government? Y/N
2. Donor/sponsor is a foreign government or primarily funded by a foreign government? Y/N

**If Yes to either of these questions, the funding is a sponsored project. Contact Office of Research**

**If No to both questions, move on to Section 2.**

**Section 2 – Award Terms**

3. Donor/Sponsor requires deliverables (e.g. equipment, records, detailed research results, study data)? Y/N
4. Donor/Sponsor requests ownership of intellectual property (e.g. licenses, copyrights, royalties)? Y/N
5. Donor/Sponsor requests control of publications? Y/N

**If Yes to any of these questions, the funding is a sponsored project. Contact the Office of Research**

6. Other questionable terms (e.g. indemnification, hold harmless, confidentiality, arbitration)? Y/N

**If Yes consult with the Office of Research to determine if funding is a sponsored project**

**If No to all questions, move on to Section 3**

**Section 3 – Award Reporting Requirements**

General Requirements	←	→	Detailed Requirements
<b>RESEARCH FOCUS</b>			
a. Broad research focus			a. Detailed scope of work or line of inquiry
<b>FINANCIAL REPORTING</b>			
b. General report on disposition of funds, e.g., total spent or consolidated categories (salaries, equipment, materials) or left to Stanford to decide			b. Detailed line-item budget, e.g., correspondence with proposal budget, percentage of effort committed for faculty or personnel, burn rates projections
c. No prior approval required for variance with proposal budget			c. Requires funds to be spent in accordance with proposed budget
d. Future payments not contingent on reporting			d. Future payments contingent on reporting.
<b>NARRATIVE REPORTING</b>			
e. General description of progress, no specific requirements/guidelines			e. Technical report requires details on scientific results or accomplishments

A preponderance of “General Requirements” checks above indicates that the funding may be administered as a *gift*. A preponderance of “Detailed Requirements” checks above likely indicates that the funding should be administered as a *sponsored project*. If you have questions about the analysis or you are unable to make a determination of *gift* or *sponsored project*, contact the Office of Research ([QoR](#)).

*This is a job aid and for your files only.*

12/1/2017

## 11.1.7. Attachment B. Checklist for Determining Whether Funding is a Postdoctoral Fellowship or a Sponsored Project

Attachment B. to this policy, *Checklist for Determining Whether Funding is a Postdoctoral Fellowship or a Sponsored Project*, can assist in making the determination as to whether funding should be classified as a Fellowship or Scholarship (i.e., student aid) or not.

**Checklist for Determining Whether Funding is a Postdoctoral Fellowship or a Sponsored Project**

Fellow: \_\_\_\_\_ Dept: \_\_\_\_\_ Date: \_\_\_\_\_

Source of funding: \_\_\_\_\_ Amount: \_\_\_\_\_

**Instructions for Completing the Checklist:**

To use this form, review all the documentation associated with the funding for indications as to whether funding for a postdoctoral scholar should be handled as a sponsored **grant/contract** or as a **fellowship**. Documentation may include some or all the items listed below.

- |  |                       |
|--|-----------------------|
| 1. Statement of Work or Project Description                              | 3. Award Letter       |
| 2. Proposal or Letter of Intent, or request for funding including budget | 4. All correspondence |

**Checklist:**

FUNDING SOURCE:				
1	Is this award made to Sofia University, with the provision that Sofia will name the individuals to be funded? Comments:	If YES, this is a GRANT/CONTRACT.		
2	Is the award open to Instructors, Research Associates, etc., as well as Postdoctoral Fellows?	If YES, this is a GRANT/CONTRACT.		
3	Does the award require the recipient to devote a specified percentage of effort to a specific project, with an associated charging of that percentage of salary to the award?	If YES, this is a GRANT/CONTRACT.		
IF NONE OF THE ABOVE ARE TRUE, CONSIDER THE QUESTIONS BELOW RELATED TO THE PURPOSE OF THE AWARD:		YES	NO	UNCERTAIN
4	Does the award provide a predetermined amount of money in the form of subsistence payment TO SUPPORT AN INDIVIDUAL POSTDOCTORAL SCHOLAR'S RESEARCH TRAINING EXPERIENCE? For example: <ul style="list-style-type: none"> <li>Is funding in the form of stipend or salary /benefits, with minimal amount for travel and supplies or an institutional allowance?</li> <li>Rather than being charged to this award, will research-related project expenses typically be charged to the mentor's research grant or contract?</li> </ul> IF YES, THIS IS LIKELY A FELLOWSHIP. Comments:	!	!	!
5	Does the award provide funding primarily TO ACCOMPLISH A POSTDOC'S INDIVIDUAL RESEARCH PROJECT? For example: <ul style="list-style-type: none"> <li>Is funding intended to cover the costs of carrying out that project, including, for example, postdoc salary/benefits, salaries/benefits for other researchers, equipment, supplies, and any other line item needed?</li> <li>Does this award include a budget line item for indirect costs?</li> </ul> IF YES, THIS IS LIKELY A GRANT/CONTRACT. Comments:	!	!	!

Check the appropriate box below, and process accordingly.

☐ **GRANT/CONTRACT:** Keep the completed checklist in your departmental project file and contact the Office of Research.

☐ **FELLOWSHIP:** Keep the completed checklist in your departmental project file and contact the Office of Research.

☐ **Uncertain:** If you cannot determine with certainty, review with your school dean's office and then with the Office of Research. The Dean of Research may be required for final final resolution.

**Initial Department Determination Made by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**If consultation is needed, School Dean's office (local process):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Sponsored Research (QoR or Dean of Research):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Final Determination:** \_\_\_\_\_Fellowship \_\_\_\_\_Grant/Contract

### **11.1.8. Attachment C. Conditions of Gift Letter**

Attachment C. to this policy, *The Conditions of Gift Letter Template* is recommended for gifts from industry. It establishes mutual understanding, and should be signed by all parties to clarify obligations.

The template establishes mutual understanding that:

- Intellectual property or data will be retained by CIHS
- CIHS will provide acknowledgement of funding in publications
- Infrastructure fee of 8% will be applied

[DONOR NAME & ADDRESS  
OR USE DONOR LETTERHEAD]

104



## **11.2 Categories of Sponsored Projects**

Illustrates the major categories of sponsored projects, i.e., organized research (including both sponsored research and Institute research), sponsored instruction, and other sponsored activities. Establishes procedures to meet the requirements of July 15, 1993 revisions to OMB Circular A-21, and the incorporation of the Uniform Guidance effective December 26, 2014 regarding the definition of Institute Research. Definition of Industry-Funded Clinical Trials clarified in October 2009.

### **11.2.1. General Categories of Sponsored Projects**

Sponsored projects at California Institute for Human Science are categorized under the following general headings:

1. Organized Research, including Sponsored Research and Institute Research
2. Sponsored Instruction
3. Other Sponsored Activities

Classification of a sponsored project into one of these categories affects the calculation of CIHS' Facilities & Administrative (F&A), i.e., indirect cost rates, and determines the appropriate rate to be charged. See Facilities & Administrative (Indirect Cost) and Fringe Benefit Rates: Definitions and Calculations, in this policy handbook. Definitions and examples of these categories follow below.

### **11.2.2. Definitions**

#### **A. Organized Research**

Research and scholarship activities include the rigorous inquiry, experiment or investigation to increase the scholarly understanding of the involved discipline. Organized research activities are funded by both external sponsors (Sponsored Research) and by California Institute for Human Science (Institute Research), and must be separately budgeted and accounted for. Together, these categories comprise the Organized Research distribution base, used to calculate the Organized Research F&A rate.

Any research and development activity that does not meet the criteria to be defined as Sponsored Research or Institute Research (see below) shall be classified as Departmental Research, and shall be accounted for separately from Organized Research. Examples of Departmental Research include: new faculty start up funds which are provided on a non-competitive basis, funds from a faculty member's

designated gift accounts expended for research that are not used to cover costs incurred on behalf of externally or Institute sponsored research, and Institute support of faculty salaries for non-sponsored research.

#### 1. Sponsored Research

Research activities are properly classified as Sponsored Research if the research activity is sponsored (funded) by an external organization, i.e. a federal, state, or private organization or agency. The following are examples of sponsored research projects and, in all cases, these awards are made to California Institute for Human Science:

- awards for CIHS faculty to support their research activities
- external Faculty "Career Awards" to support the research efforts of the faculty
- external funding to maintain facilities or equipment and/or operation of a center or facility which will be used for research
- external support for the writing of books, when the purpose of the writing is to publish research results
- awards to departments, units or schools for the support of the research activities of California Institute for Human Science students or postdoctoral scholars, e.g., research training grants

NOTE: Externally-funded research training grants are categorized as Sponsored Research (rather than Sponsored Instruction) where the primary activities of the trainees will be research.

The following characteristics indicate that a sponsored agreement should be treated as a research training grant:

- The primary purpose of the sponsored agreement is to provide research training to selected California Institute for Human Science students or postdoctoral scholars
- The award is made to California Institute for Human Science, with the provision that CIHS may name the trainees
- If a trainee leaves CIHS, the Institute may reassign the support to another qualified trainee
- Funding is normally provided to support the trainee, rather than to accomplish a specified statement of work or research project. Note that a research project may be described in a proposal for research training grant support, but the primary purpose of the award is to support the trainee.

#### 2. Institute Research

Research activity is properly classified as Institute Research if the activity is supported by either of the following:

1. Funding that is derived from CIHS institutional funds (e.g. gifts, endowment income, interest income, technology licensing income, operating budget) through a competitive or non-competitive application and award process, and where the proposed activity is characterized by the same factors which generally distinguish sponsored projects (see Definition of Sponsored Projects and Distinctions from Other Forms of Funding), such as:
  - Existence of a statement of work
  - Detailed financial accountability such as:
    - a line-item budget related to the project plan
    - a specified period of performance, typically defined with “start” and “stop” dates
    - a requirement to return any unexpended funds at the end of that period
    - regular financial reporting (beyond an acknowledgment of funds),
    - terms for the disposition of properties
2. Cost sharing expenditures which are committed to be borne by CIHS rather than by the sponsor.

## **B. Sponsored Instruction**

Sponsored Instruction is defined as teaching and training activities funded by grants and contracts from federal or non-federal sponsors. Sponsored Instruction includes agreements which support curriculum development as well as teaching/training activities (other than research training) whether offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, summer school, or external division.

Sponsored Instruction includes:

- curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods; such evaluation may be considered "research" only when the preponderance of activity is data collection, evaluation, and reporting
- projects which involve CIHS students in community service activities for which the CIHS students are receiving academic credit
- general support for the writing of textbooks or reference books, video, or software to be used as instructional materials.

### **C. Other Sponsored Activities**

Other Sponsored Activities (OSA) are defined as projects funded by sponsors that involve the performance of work other than Sponsored Instruction or Sponsored Research.

OSA may include:

- Travel grants
- Support for conferences or seminars
- Support for Institute public events
- Publications
- Support for students, staff, or teachers in elementary or secondary schools, or the general public, through outreach-related activities
- Projects that involve CIHS faculty, staff, or students in community service activities (where the CIHS students are not receiving academic credit for their involvement)
- Support for projects pertaining to library collections, acquisitions, bibliographies, or cataloging
- Programs to enhance institutional resources, including data center expansion, computer enhancements, etc.

### **11.2.3. Accounting**

#### **A. Accounting for Organized Research**

Sponsored activities that qualify as either Sponsored Research or Institute Research shall be assigned to the Sponsored Research or Institute Research task service types in the Institute's accounting system. All Institute Research shall be separately budgeted and accounted for. Space used in the conduct of Sponsored Research or Institute Research shall be coded to Research (R) in the Institute's space inventory system.

All other research activity that is not defined as either Sponsored Research or Institute Research shall be considered Departmental Research.

Expenditures for Departmental Research shall be assigned to the Instruction and Departmental Research task service type in the accounting system. Space used in the conduct of Departmental Research should be coded to Departmental Research (L) in the Institute's space inventory system.

## **B. Accounting for Sponsored Instruction**

Activities that qualify as Sponsored Instruction shall be assigned to the Sponsored Instruction task service type in the Institute's Accounting system. Space used in the conduct of Sponsored Instruction should be coded to Instruction (I) in the Institute's space inventory system.

NOTE: Research training grants are not categorized as Sponsored Instruction, but as Sponsored Research.

## **C. Accounting for Other Sponsored Activities**

Activities that qualify as OSA shall be assigned to the Other Sponsored Activities task service type in the Institute's Accounting system. Space used in the conduct of OSA should be coded to Instruction (I) in the Institute's space inventory system.

# **11.3 Specialized Categories of Sponsored Projects**

In addition to sponsored projects as defined in the Categories of Sponsored Projects, the following specialized categories of agreements are defined and handled as sponsored projects.

## **11.3.1. Industry-Sponsored Clinical Trials**

Clinical trials are a subset of clinical research and must include all four of the following factors in order to qualify for the clinical trial indirect cost rate:

1. The objective of the study is either:
  - a. testing of a drug, device, diagnostic, treatment, intervention, or preventive measure, including testing for an unapproved indication or
  - b. data collection, or review of data generated or acquired in a clinical setting, to increase knowledge that would lead to enhanced safety and efficacy of a drug, device, diagnostic, treatment, intervention, or preventive measure.
2. The study will evaluate the effect of the drug, device, intervention on human subjects, or the review of patient care clinical data, with a focus on health-related biomedical or behavioral outcomes.
3. The study must be performed primarily in patient care space, clinical-quality space, or locations treated as off-campus space.
4. The study must be industry funded.

### **11.3.2. Research Participation Agreement**

A Research Participation Agreement (RPA) is a form of sponsored project in which services of CIHS personnel, academic facilities, and/or laboratory equipment are employed on behalf of parties not otherwise affiliated with the Institute. A Research Participation Agreement is different from other forms of sponsored research projects in that a significant portion of the responsibility for the intellectual direction, interpretation, and/or outcome of the work rests with the outside user. Criteria for the establishment of Research Participation Agreements and process for their approval is outlined in the Research Participation Agreements section.

### **11.3.3. Beta Test Site Agreements**

Beta Test Site Agreements are contracts by which commercial vendors test and evaluate early product development. The proposed agreements come from companies that have agreed to provide various products and/or software to academic departments in exchange for evaluation. Beta Test Site Agreements must be processed as sponsored research projects through the Office of Research.

### **11.3.4. Equipment Loan Agreements**

Equipment Loans are agreements whereby a sponsor may loan certain equipment to CIHS, such as hardware, software and/or documentation for research use. One such example is an agreement whereby CIHS and a private entity participate in a joint research program using the company's equipment and share the results, including data. This type of agreement usually does not involve money, but enables CIHS and industry researchers the opportunity to use each other's facilities.

### **11.3.5. Material Transfer Agreements**

Material Transfer Agreements (MTAs) are contracts by which tangible research property, such as biological organisms, is provided by external sources to CIHS investigators for research, or by CIHS investigators to external researchers. Material Transfer Agreements are processed as sponsored research projects.

### **11.3.6. Industrial Collaboration Agreements**

Companies and universities are increasingly requiring documentation of inter-institutional research partnerships. Formal agreements in these cases will help to avoid misunderstandings and disputes over ownership of results. Collaboration contracts should be sent to the Office of Research. CIHS has its own standard collaboration agreement that may be used as well, it can be found on the Office of Research website.

## **11.4 Research Participation Agreements**

Defines policy for the establishment of agreements to make CIHS personnel, academic facilities, and/or laboratory equipment available to non-CIHS entities. Defines necessary criteria and approvals for such agreements.

### **11.4.1. Background and Purpose**

The exchange of ideas and research techniques has proven mutually beneficial and has resulted in many important scientific developments. Many of the academic research facilities at CIHS are unique in their combined expertise and instrumentation, and could be used on an incidental basis to assist industries in ways that are consistent with the primary teaching, research, and public service missions of the Institute. Therefore, this policy on sponsored projects proposals, permits and sets the conditions for occasional use of CIHS research capabilities for outside purposes in ways consistent with CIHS' primary missions.

### **11.4.2. Definitions**

Research Participation Agreement (RPA) is a form of sponsored project in which services of CIHS personnel, academic facilities, and/or laboratory equipment are employed on behalf of parties not otherwise affiliated with the Institute as faculty, staff, or students. Faculty relationship to the project may range from the degree of oversight required by the Policy Statement below through the full intellectual involvement characteristic of PIship, except that the project requirements may be established in detail by the sponsor. Work on the project will normally be conducted by CIHS personnel. Occasionally, personnel supplied by the contracting party will be permitted to work directly on the project at CIHS, but in those cases additional requirements may be part of the RPA to assure proper use of equipment, compliance with Institute policies, and protection of the Institute from liabilities resulting from matters such as negligence on the part of the unaffiliated party. An RPA is different from other forms of sponsored research projects in that a significant portion of the responsibility for the intellectual direction, interpretation, and/or outcome of the work rests with the outside user.

### **11.4.3. Policy Statement**

California Institute for Human Science places a high value on facilitating the transfer of technology from its research to the private sector where it can be applied in ways that will benefit the general population. For this reason, the Institute would like to foster cooperation and collaboration with entities such as other Universities, research institutes, government laboratories, and private sector partners. One way of doing this is to make unique Institute research expertise and facilities available for research purposes of those other entities. Such efforts must not compromise research priorities of the faculty of the Institute who have developed and who maintain these facilities. However,

because of the highly specialized nature of CIHS' expertise and facilities, there is occasionally sufficient time and capacity available to assist the research endeavors of other universities, research organizations, or companies. When that situation occurs, CIHS' academic departments, schools, and laboratories may enter into RPAs to make certain research resources available to outside users if all of the following criteria are met, and with relevant administrative reviews as noted below:

- The work to be performed under the RPA is related to the academic missions of the department, school, or laboratory, and is performed for research or testing purposes only, not for production or manufacturing for sale. The analysis of techniques or processes related to production or manufacturing in general is acceptable.
- A CIHS faculty member who has oversight responsibilities for the Institute laboratory, center, or facility involved approves the work to be performed under the RPA, and a CIHS faculty member familiar with the facility undertakes to oversee the work, assumes financial control of the project, and assures that the project complies at all times with relevant Institute policies and requirements of outside regulatory agencies. The RPA must not interfere with the education of CIHS students.
- The activities performed under the RPA comply with the terms of CIHS' Openness in Research policy.
- The party for whom the work is being done agrees that any potentially patentable invention conceived or first reduced to practice in the course of the work on the project shall be disclosed to the Institute on a timely basis. Title to any such inventions shall be negotiated during the RPA contract process, and in advance of any such invention being created.
- The RPA will not interfere with the work done for CIHS users, who must be given first priority;
- No restrictions against the proposed use have been imposed by external sources which funded the building, instrumentation, or capital equipment involved.

Payments received for work for outside parties must cover the full costs of the service and the outside parties must be charged at rates at least as high as those charged to internal users and other forms of sponsored projects. Indirect costs at the Institute's on-campus Organized Research rate will be applied. (Any exceptions to the use of this rate must be approved in advance in writing by the Dean of Research).

#### **11.4.4. Approval Process**

The PI, laboratory or center director proposing to make the services of his or her laboratory or center available for outside use shall request approval from the cognizant department chair or school dean in writing. If it is anticipated that the expertise or facility will be used on a recurring basis for RPAs, the PI, laboratory or center director may request a blanket approval to provide a class of services through RPAs without the need to request approval from the chair or dean for each individual arrangement. Whether the proposal is for a single RPA or for blanket approval for multiple RPAs, the



chair or dean will respond in writing to the request, with copies of their approvals sent to OoR. After approval by the chair or dean is obtained, the responsible faculty member shall submit the proposal to the OoR for final approval by the Dean of Research.

Once the Dean of Research has approved the RPA, the PI or director will:

1. consult with the Institute Accounting Office to establish and approve the accounting mechanisms and unit costs to be charged to the outside users, and to determine if the income from the RPA will be subject to sales tax. (If sales tax is determined necessary by the Accounting Officer, the host department or laboratory must calculate and charge such tax to the outside user.)
2. consult with the Institute Accounting Office and President to assess issues of risk, liability, and insurance, and, if deemed necessary, create appropriate provisions in the RPA agreement
3. consult with the Institute Accounting Office to assess any service center-or indirect cost-related implications

The PI or director will then confirm to OoR in writing the approved accounting arrangements, sales tax requirements, and insurance/indemnification requirements.

#### **11.4.5. Procedure after Blanket Approval Has Been Established**

After the required approvals have been granted by the chair or dean, and OoR has approved the RPA instrument and administrative procedures, the responsible faculty member may enter into RPAs.

#### **11.4.6. Applicability**

This policy applies only to certain services to be performed by academic centers, departments, or laboratories for purposes that are to be undertaken on behalf of companies and organizations external to CIHS. It does not affect the normal research collaborations between CIHS researchers and colleagues from other institutions including industries.

## **12. Sponsored Project Proposals**

### **12.1 Preparation, Review, and Submission of Sponsored Project Proposals**

Summarizes Institute policy and procedures with respect to the preparation, review, and submission of proposals for external sponsorship.

### **12.1.1. Applicability**

External sources are important to support programs of research, instruction, and scholarship. Due to the growing complexity of conditions attached to sponsored projects, plus a trend toward greater diversity in sources of support, this policy will apply to the preparation, review, and submission of proposals for external sponsorship.

This policy applies to all proposals for work to be carried out in CIHS academic departments, laboratories, centers, institutes, and administrative units. In addition, the terms of this policy also apply to proposals which commit CIHS resources for projects to be performed off-campus, including affiliated institutions. The Dean of Research retains the authority to approve exceptions to this policy.

### **12.1.2. Submitting Proposals**

The Office of Research (OoR) is the central administrative office responsible for submitting proposals and accepting awards on behalf of California Institute for Human Science. The Dean of Research can grant various levels of signature authority to others both inside and outside of OoR to submit proposals and/or accept awards, as appropriate. Sponsored Project proposals must be submitted and awards accepted only by individuals authorized to sign the necessary documents. Questions in this regard may be directed to the Dean of Research.

Adequate lead time is needed to review the proposal against sponsor guidelines, Institute policy, and federal regulations. In addition, many proposals are submitted via electronic sponsor systems where electronic validation errors and technical difficulties can occur. Proposals with missing or non-compliant components are frequently rejected by sponsors.

A complete proposal package must be submitted to OoR five (5) full business days in advance of the sponsor's deadline. This includes the complete proposal application, budget and justification, relevant approved waivers, and subaward documentation. All administrative portions of the proposal must be complete and final. The technical components of the proposal can be a draft at this stage, but must be finalized at least three (3) full business days in advance of the sponsor's due date.

### **A. Proposals Involving Policy Exceptions**

Proposals which involve any exception to Institute policy, e.g., requests for PI exceptions or Facilities and Administrative (F&A), i.e., indirect cost waivers, are subject to the approval of the appropriate School Dean and the Dean of Research. Such approvals should be sought as soon as practical, and must be received prior to submission of the proposal to OoR.

## **B. Budget Justifications**

The primary purpose of a justification is to provide support for the funds requested to ensure adequate funding. Experience has shown that including budget justifications in the proposal increases the likelihood that the sponsor will award the cost.

Budget justifications will be included in sponsored project proposal budgets for costs normally treated as F&A costs that are proposed as direct costs, except when not required by the sponsor (e.g., NIH Modular Grants). This requirement includes proposed direct costs for equipment, operations and maintenance, and administrative salaries (see Charging for Administrative and Technical Expenses). Particular care must be given to the federal requirement that costs incurred for the same purpose in like circumstances shall be treated consistently as either a direct cost or an F&A cost. The following are key elements that are to be included in budget justifications:

- a description of the expense or service
- how it relates to and benefits the project
- the anticipated cost
- the time-period in which it will be utilized
- any other information that will aid the sponsor in evaluating and funding the proposed item of cost

For administrative charging to federal sponsors only: describe how the administrative role is integral, i.e., essential, vital or fundamental, to the project.

Some sponsors provide rebudgeting authority that would allow a PI, after an award is received and the project is in progress, to rebudget awarded dollars within the project scope.

If, during the course of the project the PI becomes aware of other expenditure needs that were not included in the proposed budget, rebudgeting within the sponsor's provisions is permitted. This includes equipment, operations and maintenance, or administrative costs that are normally treated as F&A costs. Of course, all other provisions of CIHS and sponsor policy for acceptability of the costs as a direct charge must be met.

When costs are explicitly listed and justified in the sponsor accepted budget, grant/contract administrators, auditors, and sponsoring agencies can easily understand the nature of the costs and their allowability under the regulations.

## **C. Student-Initiated Research**

In the circumstances where a student has initiated a research project, a proposal will normally need to be submitted with a faculty member as PI. The provisions for rare

exceptions to the policy on PI eligibility are applicable (Principal Investigator Eligibility and Criteria for Exceptions).

## **12.2 Academic Policies Pertaining to Sponsored Project Proposals**

### **12.2.1. Principal Investigator Eligibility**

Only members of the faculty, deans, officers of the California Institute for Human Science, FPC and directors of center, labs and institutes are eligible to submit proposals to outside agencies.

Any exceptions to this policy must be approved by the Dean of Research, as outlined in Principal Investigatorship (PI) Eligibility and Criteria for Exceptions. A copy of the approval memorandum must be part of the final proposal package submitted to the Office of Research.

California Institute for Human Science requires all PIs to review their obligations for stewardship of sponsor funds and compliance with applicable regulations.

Those ineligible for PI status may be identified as Associate Investigators, but not as Co-PIs.

Proposals must be submitted in the name of the individual who will be primarily responsible for the scientific, technical, and fiscal direction of the project. Submission of the proposal in the name of a "nominal" PI who then delegates primary responsibility to an ineligible PI is not permitted.

### **12.2.2. Educational Component**

Sponsored projects should have an educational component, typically evidenced by student involvement (either with or without charge to the project), for purposes of training and support of students doing thesis or dissertation-level research.

### **12.2.3. Presence at CIHS**

A PI may be absent from campus yet remain engaged in a project. In cases where the PI of an on-going sponsored project will be disengaged from the project for a period of three months or more, another authorized person must be named as Acting PI to assume direction of the project, subject to approval of the sponsoring agency. This person must meet the standards to be a PI at California Institute for Human Science.

#### **12.2.4. Rights and Safeguards**

Any proposals for activities involving:

- human subjects (for either medical or non-medical research)
- laboratory animals
- radiological hazards
- biohazardous agents

Require the approval of a protocol by the appropriate Administrative Panel for Research Compliance. These Panels assure CIHS' compliance with applicable federal regulations in these areas. Questions in this regard may be directed to the Dean of Research.

### **12.3 Institute Commitments Pertaining to Sponsored Project Proposals**

#### **12.3.1. Committed Level of Effort**

The level of effort, expressed as a percentage of the total professional effort, that a faculty member commits to spend on any sponsored project must be consistent with other academic duties. The total percentage of effort committed (1) in the budgets of active sponsored projects, (2) for cost-sharing and other contributed effort, (3) teaching, and (4) administrative efforts must not exceed 100% of the individual's total Institute appointment. California Institute for Human Science requires a commitment of effort on the part of the PI during the period in which work is being performed. This effort may be expended during the academic year, summer quarter only, or both. Committed effort shall be direct charged or cost shared. This requirement does NOT extend to:

- equipment grants
- seed grants for students/postdocs where the faculty mentor is named as PI, dissertation support, training grants or other awards intended as "student augmentation"
- limited-purpose awards characterized by CIHS as Other Sponsored Activities, including travel grants, conference support, etc. (see Categories of Sponsored Projects, for definition and further examples of Other Sponsored Activities.)

#### **12.3.2. Space**

If the project cannot be housed within pre-identified existing available department or laboratory space, commitments for the additional space required need the approval of

the Department Chair, Dean, and other offices as appropriate unless they are of a minor remodeling nature for which funds have already been approved. The Institute cannot commit itself to finding incremental space for a project whose needs have not been reviewed and approved in advance.

### **12.3.3. Cost Sharing**

Whenever California Institute for Human Science agrees to pay a portion of the allowable costs of a sponsored project, i.e., those costs which would otherwise be paid by the sponsor, the Institute has made a cost sharing commitment. Any proposal including such a commitment must be so identified. Note that any promise to provide effort or other services as part of a proposed project at no direct cost to the sponsor constitutes a cost sharing commitment. Voluntary effort above and beyond what was committed does not have to be treated as cost sharing.

### **12.3.4. Subawards**

Proposals that include large or complex subawards for specialized equipment or services should be reviewed with the OoR before preparing the final proposal. Subcontracts for research or development must comply with the applicable clauses of the prime contract. See also Subawards

Public Law 95-507 requires each Government Prime Contract over \$500,000 to have an approved subcontracting plan. The Accounting Office provides coordination and assistance in this regard.

### **12.3.5. Use of Consultants**

When retention of consultants is proposed, all consultant contracts should be drafted in consultation with OoR.

### **12.3.6. Facilities and Administration/Indirect Costs**

CIHS' policy is to apply the Institute's full relevant F&A cost rate to all externally-sponsored research projects. Proposals including provision for indirect cost recovery at rates or bases less than those established by the Institute's negotiated agreement with the Federal Government require written approval from the appropriate School Dean and the Dean of Research before submission. Such approval will be granted only for compelling reasons. Some non-profit sponsors, who have established their own policies on the levels of Facilities and Administrative costs which they will fund, may be pre-approved for a waiver of CIHS' negotiated F&A cost rate. OoR maintains the list of these sponsors. See also Indirect Cost Waivers.

### **12.3.7. Tuition**

Projects proposing to fund tuition charges as direct costs, particularly for future years, should be checked with the office of the School Dean to be sure the rates quoted are consistent with Institute estimates.

### **12.3.8. Advice and Assistance**

The Office of Research is available to assist with unusual or special questions in connection with sponsored project proposals.

## **13. Financial Aspects of Sponsored Projects Administration**

### **13.1 Facilities and Administrative (Indirect Cost) and Fringe Benefits Rates**

Presents an explanation of California Institute for Human Science's Facilities & Administrative (Indirect Cost) and Fringe Benefits Rates, including definitions of "on-campus" and "off-campus" rates, and Modified Total Direct Costs (MTDC). Current rates are maintained by the Accounting Office.

#### **13.1.1. Introduction**

Facilities & Administrative (F&A) Rates (also known as indirect cost rates) and fringe benefits rates are established in accordance with the federal government's Office of Management and Budget. For federal government related projects, these rates are negotiated between CIHS and the Office of Naval Research (ONR), the cognizant federal agency overseeing the administration of sponsored agreements at CIHS.

All proposals to sponsors must include budget requests for F&A costs and fringe benefits, using the rates negotiated by CIHS and provided by the Accounting Office (AO), unless a reduced rate is approved by the Dean of Research on a case-by-case basis. The Office of Research maintains a separate list of entities whose published policies specify rates lower than CIHS', where the lower rate has been approved by the Institute.

Proposals to these sponsors may be submitted to the Office of Research (OoR) using the rates indicated on that list without prior approval by the Dean of Research. See Indirect Cost Waivers.

#### **13.1.2. Application of On- and Off-Campus Facilities & Administrative Rates**

F&A (indirect cost) and fringe benefit rates are applicable to all externally-sponsored projects (grants, contracts, cooperative agreements, subgrants, and subcontracts) funded by federal, state or private sponsors. The application of these rates allows California Institute for Human Science to recover certain costs (e.g. facilities, utilities, libraries, administration, student services, etc.) associated with externally-funded training and research activity.

#### **A. Definition of "Off Campus"**

A project, or part of a project, is considered to be performed off-campus if the activity is conducted at a location other than California Institute for Human Science's academic lands and the majority of F&A (indirect costs), e.g., operation and maintenance, depreciation or lease of buildings, equipment and improvements, associated with the Institute's facilities, both owned and leased, is not applicable. If a project is located in leased space and the lease is a direct charge to the project, then the project is considered off-campus; if the project is not charged directly for the lease cost and the lease is a part of the Institute's F&A (indirect cost) rate, then the project is considered on-campus. In other words, the classification of on- or off-campus is solely for the purpose of applying the correct F&A (indirect cost) rate.

#### **B. Projects Conducted Partially Off-Campus**

The on- or off-campus determination shall be based on the CIHS portion of project costs and not include costs of a collaborating entity. "Project" refers to the grant or contract award to California Institute for Human Science, not including collaborating entities.

Modified total direct costs (MTDC) for projects which are partially performed off-campus are apportioned between on-campus and off-campus components for F&A rate application purposes in instances where the lesser component is 20% or more of the MTDC of the project. If the lesser component is under 20%, the entire project is charged the F&A rate of the larger component, i.e. if the on-campus MTDC component is larger, the entire project is charged the on-campus F&A rate.

#### **13.1.3. Modified Total Direct Costs (MTDC)**

MTDC is the base to which F&A (indirect cost) rates are applied. OMB's Uniform Guidance defines this base for sponsored projects awarded on or after December 26, 2014 as follows:

*MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when*



*necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.*

The expenditure type for *Participant Support Costs* must not be used on non-federally sponsored projects unless required by the sponsor. Categorize such costs using the expenditure types for travel, stipend, etc.

As specified in this definition, some costs are excluded from Total Direct Costs (TDC) to arrive at the MTDC base to which F&A (indirect cost) rates are applied. OMB's Uniform Guidance and A-21 also provides for exclusions of other items of cost where necessary to avoid a serious inequity in the distribution of costs. Any questions about the MTDC base should be directed to the Accounting Office.

#### **A. Application of Facilities & Administrative Rates Using Modified Total Direct Costs or Total Direct Costs**

##### *For Federally-sponsored Projects*

The MTDC base shall be used when a Federal sponsor's published F&A rate is less than the current full ONR-negotiated rate, but does not specify a base. The TDC base shall be used when a Federal sponsor prescribes use of the TDC base.

##### *For Non-Federally-sponsored Projects*

The TDC base shall be used when a non-Federal sponsor's published F&A rate is less than the current full ONR-negotiated rate.

F&A waiver requirements are contained in Facility and Administrative (Indirect Cost) Waivers apply in all cases. Refer to the waiver list maintained by the Office of Research.

#### **13.1.4. Fringe Benefit Rates**

The fringe benefits rates are applied to the appropriate "salary and wage bases." As defined in CIHS' Negotiation Agreement, this base includes direct salaries and wages being charged to the project, including vacation, holidays, and sick leave. Salaries for graduate students with assistantship appointments are charged a Graduate Assistantship Rate. Salaries for temporary employees and those working less than half-time are charged the Contingent (casual/temporary) Employee Benefits Rate. Postdoctoral Scholars are charged the Postdoctoral Scholars Rate. All other employees are charged the Regular Employee Benefits Rate.

## **13.2 Indirect (F&A) Cost Waivers**

Establishes policy to apply the Institute's negotiated indirect (F&A) cost rate to all externally-sponsored projects by categories defined in Categories of Sponsored Projects.

Presents procedures to apply for a waiver of that rate for specific proposals, and criteria on which waiver decisions are made.

### **13.2.1. Applicability**

CIHS' policy is to apply the Institute's indirect (F&A) cost rate to all externally-sponsored projects.

### **13.2.2. Roles and Responsibilities**

The fiscal management of sponsored projects, including the application of appropriate indirect cost rates in proposed project budgets and management of awarded projects within budget and funding limitations, is the responsibility of the PI.

### **13.2.3. Waivers**

In certain circumstances, the Dean of Research or assignees may approve full or partial waivers of the indirect (F&A) cost normally incurred by sponsored projects.

Indirect (F&A) cost waivers or reductions are not granted to remedy incorrect classifications of costs. PIs may request supplemental funding from sponsors, however such requests are rarely granted.

### **13.2.4. Pre-Approved Exceptions**

Some programs or sponsors are pre-approved by CIHS for a waiver of a portion or all of our indirect (F&A) cost recovery. In most cases, these programs or sponsors require such a waiver as a condition of the award.

CIHS recognizes that many individuals and non-profit institutions have their own policies regarding the use of their funds for overhead expenses. In the case where the individual or non-profit has an official written and publicly disclosed policy in this regard that is applied on a consistent basis, or where a public solicitation for proposals defines a limit on indirect cost recovery as a condition of the program, CIHS will normally accept those requirements. If not on the list, please send the link to the OoR, and it might be eligible to add to the pre-approved waiver list. If it is not a public policy available on the web, a project-specific waiver will need to be requested.

Note: In cases where CIHS' agreement to accept a lower indirect (F&A) rate is based on our understanding of the sponsor's policy, and where CIHS becomes aware of a higher indirect (F&A) cost rate paid by that sponsor to another recipient, the Institute reserves the right to apply the higher rate to that sponsor's CIHS projects.

### **13.2.5. Case-by-Case Exceptions**

The Dean of Research will consider other requests for indirect (F&A) cost waivers only in very limited circumstances. Special requests must be approved by the PI and school dean's office before being routed for approval to the Dean of Research Office. The decision whether to grant or deny an exception request is at the sole discretion of the Dean of Research or assignees. The Dean of Research may take any or all of the following into consideration:

- equity of granting the waiver when the projects of other faculty carry full overhead
- total cost to CIHS
- likelihood that an award would be seriously jeopardized without a waiver, and the potential effect of the loss on the faculty member's overall research program
- benefit of the waiver to new or junior faculty members or in support of research efforts in new directions which otherwise might not be sufficiently developed to attract typical peer-reviewed awards
- effect of a waiver to increase direct costs available for student support

## **13.3 Cost Sharing Policy**

Establishes policies and procedures to meet federal requirements for proposing, spending, monitoring and reporting cost sharing.

### **13.3.1. Definitions**

#### **A. Cost Sharing**

Cost sharing represents that portion of the total project costs not borne by the Sponsor. Cost sharing is typically in the form of an actual cash expenditure of funds.

#### **B. Mandatory Cost Sharing**

Mandatory cost sharing is required by the sponsor as a condition of obtaining an award. The cost sharing commitment must be included in the proposal to be considered by the sponsor.

#### **C. Voluntary Cost Sharing**

Voluntary cost sharing is not required by the sponsor as a condition of obtaining an award. However, if cost sharing is offered it must be included in the proposal.

Under the Uniform Guidance, voluntary cost sharing is not expected by Federal sponsors. It cannot be used as a factor during the merit review of applications or

proposals unless specified in both the Federal awarding agency regulations and in a notice of funding opportunity.

#### **D. Committed Cost Sharing**

When an award is received in which there was a commitment by CIHS in the proposal to share in project cost, (voluntary or mandatory cost sharing or, matching) the activity becomes a binding commitment which the Institute must provide as part of the performance of the sponsored agreement. This commitment must be tracked in the accounting system as cost sharing.

#### **E. Voluntary Uncommitted Cost Sharing**

Voluntary Uncommitted Cost Sharing is faculty-donated effort or other direct costs above that agreed to as part of the award. Since it was not proposed and constitutes “additional” time or materials it is not considered a binding agreement and shall not be accounted for as cost sharing.

#### **F. Matching**

Matching is where the sponsor requires the Institute to match grant funds in some proportion with funds from another party, either from the Institute or more typically another sponsor (with both sponsors’ approval). Matching requirements may be in the form of actual cash expenditure of funds or may be an “in-kind” match, which is the value of non-cash contributions to the project including, with sponsor approval, the third-party organization’s approved federally negotiated indirect cost rate or, a rate in accordance with the Uniform Guidance. An in-kind or matching contribution made by a party other than CIHS requires documentation from the third party supporting the use of the funds as in-kind/matching and may require a certification of fair market value.

### **13.3.2. The Cost Sharing Commitment**

When a PI proposes, and the Institute agrees to cost share Institute resources, the Institute is required to provide the stated resources in the performance of the awarded project. Considering the administrative requirements and responsibilities inherent in the cost sharing commitment, the PI (or other person responsible for the identified fund) should carefully weigh the cost effectiveness versus the expected benefits of each potential cost sharing commitment. Cost sharing of direct expenditures represents a redirection of departmental or school resources from teaching or other departmental and school activities to support sponsored agreements.

Implicit in the Institute’s commitment to cost share is the PI's agreement to ensure that:

- Voluntary cost sharing is permitted by the particular sponsor and project for which it is being proposed and that funds are available for cost shared direct costs.
- He/She understands that unless specified in both the Federal awarding agency

regulations and in a notice of funding opportunity, voluntary cost sharing is not expected by Federal sponsors and cannot be used as a factor during the merit review of proposals.

- Cost shared expenses are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Cost shared expenses will be appropriately charged, tracked, reviewed, certified and accounted for in compliance with Institute and sponsor requirements.
- Institute space is coded in the Institute's space inventory system, consistent with the coding of expenditures in the accounting system.

The PI will review and certify these expenditures in the same manner as all sponsored project spending. The tracking, reporting, and certifying of cost sharing are subject to audit.

### **13.3.3. Expenditures Eligible for Cost Sharing**

Cost sharing may consist of allowable direct and/or F&A costs.

#### **A. Direct Costs**

##### **1. Faculty, Student or Staff Effort**

It may be appropriate to contribute faculty, student, or staff effort to the performance of a sponsored agreement. The commitment to provide such support binds the Institute to contribute the effort and record the associated expenditures including fringe benefits in separate cost sharing PTAs.

##### **2. Equipment**

Equipment cannot be offered as cost sharing unless the receipt of the award is contingent upon such cost sharing e.g. instrumentation proposals. PIs should take care in preparing proposals for sponsored agreements not to commit the use of CIHS-owned or government-owned equipment as cost sharing, but rather to characterize the equipment as "available for the performance of the sponsored agreement at no direct cost to the project."

Proposals which include the acquisition of special-purpose equipment as a direct cost may include an offer of Institute funds to pay for all or part of the cost of such equipment.

##### **3. Other Direct Costs**

Allowable direct costs other than salaries, fringe benefits, or equipment may be committed by the PI as cost sharing on the proposal budget. The following are examples of other direct costs that may be cost shared:

- travel expenses

- items that do not meet the capitalization threshold
- laboratory supplies
- the Institute contribution to graduate student tuition (imputed)

## **B. Facilities and Administrative Costs (Indirect Costs)**

Facilities and Administrative Costs (Indirect Costs) are real costs of conducting instruction and research. These F&A costs do not disappear simply because a sponsor refuses to pay for them; the Institute must fund any F&A costs that have not been reimbursed. When direct costs are cost shared, the F&A costs associated with the direct costs are automatically cost shared. PIs may take advantage of the automatic cost sharing of these costs, and include them on the proposal budget. PIs may also include any waived F&A costs as Institute cost sharing in proposals. (For the CIHS policy on waivers, see Indirect Cost Waivers.) For federal awards, unrecovered indirect costs on cost sharing may be included as part of cost sharing only with the prior approval of the federal sponsoring agency.

The accounting system is not capable of tracking cost shared F&A costs; they will not appear in the expenditure statements. The Office of Research will calculate the cost shared F&A costs based on information from the awarded budget and the accounting system for reporting purposes.

### **13.3.4. Expenditures Not Eligible for Cost Sharing**

The following expenses cannot be offered as cost sharing commitments in sponsored project proposals:

- unallowable costs as defined in either the Uniform Guidance or OMB Circular A-21 costs designated as unallowable for a particular sponsored project
- salary dollars above a regulatory cap, e.g., NIH
- Institute facilities such as laboratory space. PIs should take care in preparing proposals for sponsored agreements not to commit use of facilities as cost sharing, but rather to characterize the facilities as "available for the performance of the sponsored agreement at no direct cost to the project."
- Institute utilities
- depreciation on government-funded equipment

In addition, cost sharing may not be proposed where the sponsor has explicitly prohibited it (e.g., National Science Foundation).

### **13.3.5. Source of Funds for Cost-Shared Expenditures**

Identifying and providing resources for cost sharing of direct costs (including equipment) is always the responsibility of the PI. The PI may NOT utilize funds from another federal award as the source of cost sharing, except as authorized by statute. The PI may utilize funds from non-federal awards as the source of cost sharing ONLY when specifically allowed by both parties. Funds for cost shared expenditures are typically identified from among gift, endowment income, operating budget, or other department designated funds.

### **13.3.6. Overdrafts**

After the end of the project performance period, when project expenses result in more charges to a sponsored account than were funded, the amount of the overdraft must be included in the Institute's modified total direct cost base (MTDC) for calculation of the F&A rate. An overdraft does not represent cost sharing but it must be charged to a cost sharing account in order for it to be included in the MTDC base.

### **13.3.7. Reduction in Cost Sharing**

The actual effort and other costs required to accomplish the goals of a sponsored project might differ from what was proposed and awarded. The total costs could decrease due to changes in programmatic needs. When there is cost sharing on such projects, the sponsor may need to be consulted to determine if the reduction can be applied to either the Institute's committed cost sharing or to both sponsor and Institute resource contributions on a pro rata basis. Otherwise, the sponsor's share is reduced and the Institute's entire cost sharing commitment must be met. The PI or the PI's departmental or research administrator must consult with the Office of Research (OoR) before contacting the sponsor.

### **13.3.8. Reporting Cost Sharing**

The Office of Research is responsible for providing information to sponsoring agencies that demonstrate the Institute has fulfilled the cost sharing commitments that it made as a condition of receiving external sponsorship. An overdraft is not considered cost sharing and is not reported to a sponsor.

### **13.3.9. Cost Sharing Implementation Guidelines**

- 1. If an individual commits 50% FTE to a project, what is that 50% of?  
What does the concept of 100% FTE mean?**

For a full-time employee, 100% Full-Time Equivalent (FTE) encompasses all of the time that an individual spends doing the work for which he or she is being paid. For exempt staff, including faculty and Academic Staff, compensation is not based on the number of hours worked, but rather it is for whatever amount of

time it takes to get the necessary work accomplished. Any of the "extra" hours that an individual may spend doing CIHS work, sometimes called "midnight oil" or "sweat equity," is part of 100% FTE. If a faculty member commits 50% FTE to a project, he or she is saying that half of all the effort he or she puts into their CIHS work will be directed toward that project. If a faculty member makes a commitment of a percentage of effort to a sponsored project, and that amount of salary is NOT charged to the project, then the faculty member has made a cost-sharing commitment.

- 2. A postdoc in my department is funded for a total of 100% on three different sponsored projects. She increases the number of hours that she works on one project, but does not decrease her effort on the other projects, i.e., she is working more hours. Should we treat the extra effort as cost sharing?**

No. Since there can be no more than 100% FTE, there can be no cost sharing when 100% FTE is funded by sponsored projects. However, in this situation, you may have to go back and adjust her allocation of effort on all three projects.

Whenever anyone is funded 100% on sponsored funding, it is very important to assure that the apportioning of time and effort is reasonably accurate when considered over an academic quarter. Effort is allocated over the base of ALL time spent doing CIHS work. In this case, 100% effort includes the total amount of the postdoc's effort on the various projects on which she is working. If she significantly increases the percent FTE spent on one project, then the percent FTE on the other projects will necessarily be reduced and payroll records must be adjusted to be reasonably accurate over an academic quarter.

REMINDER: NO faculty should be 100% funded on sponsored projects. Effort should be reserved and charged to non-sponsored accounts for the other academic and administrative duties of the faculty member.

- 3. When I prepared the proposal, I committed to cost share a percentage of an individual's effort. I knew the person's current salary, but did not know the future salary. I included an estimate of the salary increase, but the individual's actual future salary may be more or less than my estimate. Is my cost sharing commitment tied to the estimated dollar amount included in the budget or the percentage of effort?**

The cost sharing commitment is tied to the specified percentage of effort. Depending on what happens with salaries in the future, the effort may represent more or less than the estimated amount included in the budget. As long as the committed effort has been expended, the cost-sharing commitment has been met.



- 4. When preparing my proposal budget, can I use the term "as needed" and not include any dollars as committed cost sharing when referring to personnel who may be asked to consult or advise occasionally on the sponsored agreement?**

Yes, because it is difficult to determine the amount of time the personnel will contribute, you may use the term "as needed" when personnel are expected to work an undetermined, incidental amount of time. In this situation you do not need to include dollars as committed cost-sharing or track them in a cost sharing PTA.

- 5. When preparing my proposal budget, can I use the term "part-time at no cost" and not include any dollars as committed cost sharing when referring to personnel who will be working on the sponsored agreement?**

No, the amount of time expected to be contributed on a part-time basis to a sponsored agreement needs to be estimated and the associated dollars shall be recorded in the proposal budget as cost sharing. See question 4 above for personnel used purely in an occasional advisory or consultative capacity.

- 6. If someone "works" in support of a sponsored project, but the position was not committed in the proposal and is paid by gift or other non-sponsored funds, is the effort cost sharing?**

No. According to both CIHS policy and the clarification issued on this point by the Office of Management and Budget (OMB), effort devoted to a sponsored project that was not committed to the sponsor in the proposal is not considered cost sharing.

The clarification issued by OMB in January 2001 states: "Voluntary uncommitted cost sharing should be treated differently from committed effort and should not be included in the organized research base for computing the F&A rate . . . "

- 7. What if someone is paid by gift funds (or other non-sponsored funds) and is committed to more than incidental effort in the narrative of a sponsored project proposal? If the individual is budgeted at 0% FTE (and consequently no dollar amount), is that cost sharing?**

Yes. If the effort is more than incidental, then it has been committed and must be recorded as cost sharing. The proposal and budget should specify the level of effort committed and related dollar amounts identified. If this amount is not identified as a project expense, then it is cost sharing. NOTE: that if a sponsor prohibits cost sharing (e.g. NSF), it may not be proposed (see questions, below).

- 8. Can I cost share on an NSF Proposal?**

Unless specified in the applicable program solicitation, NSF prohibits the inclusion of voluntary committed cost sharing in solicited and unsolicited proposals.

**9. Does a Institute waiver of F&A on an NSF proposal constitute cost sharing?**

Yes, NSF considers “waived F&A” to be voluntary cost sharing and inclusion of voluntary committed cost sharing in proposals to the NSF is prohibited. Cost sharing will only be allowed in NSF proposals when explicitly authorized by the NSF Director and included in specific program announcements.

**10. If a sponsor lines out the effort of a specific person in the awarded budget, for example, a 50% FTE Research Assistant, and the individual performs the planned work but does not charge salary to the project, is that cost-sharing?**

If the individual still works on that project as proposed, and is funded with other Institute funds, then it is cost sharing. However, if the work is reduced and the individual does not work on the project, then there is NO cost sharing.

**11. Do we need to set up a cost-sharing PTA for a faculty member who directs a student on an NIH training grant?**

No, this is not a cost sharing commitment by the faculty member. These proposals should include the following statement: "The effort listed for each training faculty member reflects a commitment of their overall academic responsibility related to instruction and not a percentage of their sponsored research effort."

**12. A PI commits effort and requests salary on a sponsored project, but then rebudgets his salary mid-year without reducing his effort. Is this considered cost sharing?**

Yes, because the PI is providing the effort committed in the proposal, the effort must be captured either on the sponsored project or in a cost-sharing PTA. As soon as this occurs, you should set up a cost-sharing PTA.

**13. If a graduate student who was committed in a proposal devotes effort to a sponsored agreement and receives salary support from a gift or fellowship PTA, is it cost sharing? Is a distinction made if support is in the form of a stipend versus a salary?**

If the student is being paid a stipend from another source, it should not be accounted for as cost sharing because stipends are paid to students for training rather than effort, and are not included in the MTDC (Modified Total Direct Cost) base. If the student has an appointment as a Research Assistant and is being paid a salary from another non-sponsored project source, it IS cost sharing. Salaries are paid for work being performed, and are part of the MTDC base.

**14.If a student is participating on a sponsored agreement with no salary requested because he/she is supported partially by a training grant and partially by a gift, is the portion supported by the gift treated as cost sharing?**

Yes, it is cost sharing if the effort was committed. The student has been employed to devote that effort to the project, and the gift PTA is being charged salary.

It is not cost sharing if the gift PTA is being charged a stipend. Stipends are not considered compensation for effort and are not part of the MTDC base and are never accounted for as cost sharing. Similarly, the portion charged to the training grant is NOT cost sharing.

**15.What about the portion of an RA's tuition allowance that CIHS provides. Is that cost sharing?**

Tuition allowance is excluded from the MTDC base, so the dollars contributed by CIHS do not have to be accounted for in cost-sharing PTAs. However, since it is a payment that CIHS is making, which the sponsor would otherwise have to pay, you can offer it to the sponsor to help meet a cost-sharing commitment.

**16.If a proposal states that existing Institute equipment will be used to complete the project, do we have to account for this as cost sharing?**

No. CIHS does not allow the cost sharing of equipment (already in-house), unless the receipt of the award is contingent upon such cost sharing. This is because removing cost-shared equipment from the equipment depreciation cost pool requires cumbersome accounting procedures.

As an alternative to offering equipment as cost sharing, you may use the following recommended wording in the proposal's budget justification or "resources and environment" section: "The equipment is available for the performance of the sponsored agreement at no direct cost to the sponsor."

**17.If a project will require the purchase of a new piece of special-purpose equipment, can part or all of its cost be offered as cost sharing?**

Yes. If a project requires the acquisition of new equipment as a condition of an award, it is acceptable to purchase the equipment and cost share all or part of it. For example, in an equipment grant award, the equipment can be accounted for as cost sharing. We would account for the piece of equipment as cost sharing by recording it in a cost sharing PTA. The equipment must be identified as cost sharing in CIHS' capital asset management system.

**18.Can Institute facilities such as laboratory space be offered as cost sharing?**

No, Institute facility costs are charged to sponsors through the indirect cost rate. Instead of characterizing the use of facilities as cost sharing, the proposal budget justification may state that the facilities are "available for the performance of the sponsored agreement at no direct cost to the project."

**19. How do I account for an in-kind or matching requirement?**

In-kind (non-cash) or matching contributions made by a party other than CIHS require documentation from the third party supporting the use of the funds as in-kind or matching contributions and may require a certification of fair market value. The Accounting Office is required to maintain fair market value certifications for audit purposes.

**20. If the total amount of a proposed budget is reduced by the sponsor when the award is received, is the difference cost sharing?**

No, as long as the reduced award reflects a corresponding reduction in the scope of work. In some cases it may be prudent to prepare and submit a revised budget and scope document.

In this context, the distinction between a grant and a contract may be relevant. A grant is used when the purpose is to accomplish a "public purpose," including carrying out research, defined in A-110 as "a systematic study directed toward fuller scientific knowledge or understanding of the subject studied." This basic research is not intended to result in a specific product, but rather to follow a general direction. In the case of a grant, a reduction in budget does not indicate an agreement to cost share.

In contrast to a grant, a contract is a procurement transaction between the sponsor and the recipient. In the case of a contract, the reduction in budget and scope must be clearly documented.

**21. If a sponsor provides a portion of funds in support of an existing Institute program is the balance (Institute supported) cost sharing?**

No, the Institute-funded portion of the research program would not represent cost sharing, unless it had been committed to the sponsor as part of the Institute's proposal for the sponsored portion of the research program. Absent this commitment, the Institute-supported effort would be treated as departmental research, and not cost sharing. In this context, it is important to note that space used for departmental research is coded differently than space used for sponsored research. This is also true for non-research programs, such as Sponsored Instruction or Other Sponsored Activities.

**22. Are PTAs with cost overdrafts or overruns, that are not reimbursed by the sponsor, accounted for as cost sharing?**

Although overruns were not contemplated during proposal preparation, and were therefore not identified as cost-sharing, they need to be included in a cost sharing PTA in order to assure that those costs are included in the MTDC (Modified Total Direct Cost) base.

**23. What kinds of expenses can I use to meet a cost sharing requirement that does not require a cash commitment and does not have to be tracked in cost sharing PTAs?**

Some costs are not captured in cost sharing PTAs because they do not affect our organized research base, but they do benefit the sponsor and may be offered to meet required cost sharing in most cases. These may include the:

- difference between full tuition and that charged to a sponsored project
- value of any waived indirect costs or fringe benefits
- value of the indirect costs associated with any direct costs being cost shared

**24. Can funds from either a federal or non-federal source be used to cost share on another award?**

Federal awards: no, funds from a federal award may not be utilized as the source of cost sharing except as authorized by statute. In this rare case, the cost-sharing arrangement must be authorized by BOTH sponsors.

Non-federal awards: Per federal regulations funds from non-federal awards may be utilized as the source of cost sharing only if authorized by the non-federal sponsor.

**25. Does cost sharing apply to non-federal sponsors?**

Yes, a commitment to cost share made to a non-federal sponsor must follow the cost sharing policy. A cost-sharing PTA must be opened to record the activity because the organized research base includes both federal and non-federal research costs.

**26. I'm working on a proposal with 30% mandatory cost sharing on total project costs. I have several subcontracts on this proposal. Should we be asking them for 30% cost sharing, too?**

When possible, it is advantageous for the Institute to share any cost sharing requirements with the other participants on your project, but the program announcement guidelines would take precedence.

## **13.4 Charging for Administrative and Technical Expenses**

*The Uniform Guidance is effective for federally sponsored agreements and new funding increments incorporating the Uniform Guidance awarded on or after December 26, 2014. Federal awards received before December 26, 2014 incorporating A-21 must continue to follow the requirements in OMB A-21 and Section 4. of this policy.*

### **13.4.1. Overview**

CIHS' policy reflects OMB Circular A-21 and the Uniform Guidance that establishes the principle that salaries of administrative staff should normally be treated as Facilities and Administrative (F&A) or indirect costs.

The Uniform Guidance eliminates the *major project* criteria from A-21 for the direct charging of administrative and clerical salaries and now requires an administrative salary to meet the criteria of being *integral to the performance of the sponsored project*.

### **13.4.2. Applicability**

#### **A. Federal Awards**

The Uniform Guidance is effective for federally sponsored agreements and new funding increments incorporating the Uniform Guidance awarded on or after December 26, 2014. Federal awards received before December 26, 2014 must continue to follow the requirements in OMB A-21 which can be found in Section 4. of this policy. Terms and Conditions regarding applicability of the Uniform Guidance or A-21 must be reviewed for each award.

#### **B. Non-Federal Awards**

Direct charging of administrative or clerical salaries to a non-federally sponsored project is appropriate if the services benefit the sponsored project. Some non-federal sponsors may have specific requirements for direct charging of administrative costs. Such requirements need to be addressed in proposals.

### **13.4.3. Uniform Guidance Implementation**

The Uniform Guidance is effective for federally sponsored agreements and new funding increments incorporating the Uniform Guidance awarded on or after December 26, 2014. Federal awards incorporating A-21 and received before December 26, 2014 must continue to follow the requirements in OMB A-21 and this policy. Review the Terms and Conditions on the sponsor's notice of award to determine applicability of the Uniform Guidance or A-21.

Administrative salaries should typically be treated as facilities and administrative costs on federally sponsored projects; however, direct charging of administrative and clerical salaries to federally sponsored projects is appropriate only if ALL of the following conditions are met:

1. Administrative or clerical services are **integral** to a project or activity. The requirement that the cost is “integral” means the services are essential, vital, or fundamental to the project or activity
2. Individuals involved can be specifically identified with the project or activity
3. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency. A budget justification must be included in the proposal
4. The costs are not also recovered as indirect costs

NIH modular grants or similar grant instruments do not require line-item budgets. (Note: Rebudgeting authority may be used to charge administrative expenses not included in the approved budget if specific rebudgeting authority for clerical and administrative expenses is allowed by award and sponsor rebudgeting guidelines. See, for example, NIH administrative requirements.)

Deans' office administrative activities must be consistently treated as F&A costs. Therefore, no Deans' office administrative expenses shall be charged directly to sponsored agreements. Deans' sponsored project activities are subject to this policy.

Any other administrative costs that are required to perform the technical scope of work may be directly charged as long they provide technical benefit to the sponsored project. *See technical expenses below.*

#### **A. Alternatives to Direct Charging**

If the administrative salary does not meet the criteria for “integral” as described above, the salary shall not be proposed or charged as a direct cost to a federally funded sponsored project and shall instead be charged to a department or school PTA.

#### **B. Specific Identification / Direct Assignment**

Departments shall specifically charge administrative salaries to the benefiting award when the above criteria are met.

A method of accounting for time, or percent of effort, is required in order to identify the benefit of the administrative and clerical personnel effort to the federal sponsored agreement. This requirement may be met by using the Labor Schedules (if the level of

effort is consistent over extended periods of time), manual effort allocation, or another timekeeping process.

### **C. Technical Expenses**

Unlike administrative salaries, technical expenses shall be charged directly to sponsored projects if the expense can be specifically identified and provides technical benefit as described in the project's scope of work. Direct charging of these costs may be accomplished through specific identification of the costs to the sponsored project or through service centers or specialized service facilities, as appropriate under the circumstances. Examples of such qualifying expenses include the following:

- Salaries of PIs and technical staff, and related fringe benefits
- Laboratory supplies
- Telephone toll charges for calls related to the scope of work
- Animals and animal care costs
- Non-administrative computing costs
- Computing devices (see section on computing devices below)
- Travel costs related to the scope of work
- Specialized shop costs
- Specialized health and safety supplies, training, and services

#### **Computing Devices**

Computing devices are classified as supplies and are allowable as a direct cost if essential and allocable (provide benefit), but not solely dedicated to the project. Such devices are also allowable if solely dedicated to the performance of a federal award.

Computing Devices are defined as machines that cost less than \$5,000 and are used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

The above expenses shall be charged using the appropriate expenditure type. Note: General administrative supplies and expenses used by technical personnel (but not specifically required to accomplish the scope of work) are administrative, not technical expenses, and should be coded accordingly and charged to an appropriate non-sponsored PTA.

A method of accounting for supplies and expenses is required in order to identify the benefit of the supply or expense to the federal sponsored agreement. Clear justifications



at the time of the charge and quarterly review and certification of expenses by the principal investigator are needed to meet this requirement.

If an individual cost specifically benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If an individual cost specifically benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the cost may be allocated to benefited projects on a reasonable basis. This requires a methodology, documented at the time the cost is incurred, that allocates costs based on some common characteristic such as head count, square feet, or some other criteria that reflects the benefit received by the projects. The criteria shall be consistently applied regardless of the projects' available funding.

#### **13.4.4. OMB Circular A-21 Implementation**

Federal awards incorporating A-21 and received before December 26, 2014 must continue to follow the requirements in OMB A-21 and this section of the policy. Review the Terms and Conditions on the sponsor's notice to determine applicability of the Uniform Guidance or OMB Circular A-21.

This section of the policy reflects OMB Circular A-21 which establishes the principle that administrative expenses (salaries of clerical and administrative personnel, supplies and other expenses) should normally be treated as Facilities and Administrative (F&A) or indirect costs. This section also reflects the A-21 circumstances where it is appropriate to charge administrative expenses directly to sponsored agreements. In particular, universities may charge directly those administrative costs that are above what would normally be provided "where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity." Technical expenses (salaries of Principal Investigators and technical staff, laboratory and other technical expenses) shall be treated as direct costs wherever identifiable to a particular sponsored agreement.

This section addresses the A-21 instruction that special care should be exercised to ensure that costs incurred for the same purpose in like or similar circumstances are treated consistently as either direct or indirect costs.

In addition, this section incorporates CIHS' commitment to the Office of Naval Research (ONR) to develop policy pertaining to budget justifications.

#### **A. Applicability**

This section of the policy does not apply to non-federally-funded sponsored projects. Administrative expenses that directly benefit such awards can and should be charged directly to those awards. However, this section of the policy does apply if the non-

federal sponsor receives federal funding for the project, specifically adopts A-21 guidelines, or has its own policies restricting administrative charges.

## **B. Administrative Expenses**

OMB Circular A-21 requires that routine administrative expenses be treated as Facilities and Administrative (F&A) or indirect costs unless certain circumstances, described in A-21, apply. These exceptions are discussed in *section C. Exceptions* below.

Unlike administrative costs, technical costs shall be treated as direct costs wherever specifically identifiable to a particular sponsored project.

### **1. Administrative Expenses - Dean's Offices**

Deans' office administrative activities must be consistently treated as F&A costs. Therefore, no Deans' office administrative expenses shall be charged directly to sponsored agreements. Deans' sponsored project activities are subject to the remainder of this policy.

### **2. Administrative Expenses - Academic Departments, Institutes, Centers, and Independent Laboratories**

Administrative expenses (clerical or administrative salaries, office supplies, cellular or other phone lines, PDAs, copying, bottled water, home internet connections, postage, memberships, etc.) are part of the F&A or indirect cost rate and should not be charged directly to federally-funded sponsored projects except under the circumstances described in *section 3. Exceptions* below.

### **3. Exceptions**

While administrative expenses are normally charged through the indirect cost rate, OMB Circular A-21 describes a limited set of circumstances in which administrative expenses may be charged directly to federally-sponsored projects.

#### **a. Due to the nature of the project, administrative costs are significantly above "normal"**

When a federally-funded research project has within its scope one or more elements that make its administrative requirements significantly more burdensome than a normal project, it is considered "major," and these additional administrative costs may be directly charged to the project.

#### **b. Costs, normally considered administrative in nature, are required to perform the technical scope of work**

Administrative costs that are required to perform the technical scope of work may be directly charged to the project regardless of whether the project is determined to be "major" see Technical Expenses below in this section.

For administrative costs to qualify for direct charging, they must meet the following criteria:

1. The nature of the project requires significantly more administrative effort or expense than is generally the case. (See Examples of Major Projects below in this section.)
2. The administrative expenses: 1) can be identified specifically with a particular sponsored project or activity (or can be directly assigned to the project or activity relatively easily with a high degree of accuracy), and 2) provide direct benefit to the project.
3. The administrative expenses are explicitly listed in the approved proposal budget and are not specifically disapproved in the award notice.
4. NIH modular grants or similar grant instruments do not require line-item budgets. (Note: Rebudgeting authority may be used to charge administrative expenses not included in the approved budget if specific rebudgeting authority for clerical and administrative expenses is allowed by award and sponsor rebudgeting guidelines. See, for example, NIH administrative requirements.)
5. Explicit budget justifications meeting the guidelines below are included in the proposal (either in the initial submission or after-the-fact if not known at time of initial submission). These include:
  - a description of the expense or service
  - an explanation of how this expense or service relates to the activities that make the project "major"
  - how the expense or service relates to and benefits the project
  - the anticipated cost
  - the time period in which it will be utilized
  - any other information that will aid the sponsor in evaluating and funding the proposed item

Although NIH modular grants or similar grant instruments do not require line-item justifications, CIHS does require an overall justification in the budget narrative that identifies the project as major and describes those aspects of the project that make it major.

### **C. Alternatives to Direct Charging**

If the administrative expense does not meet the criteria for direct charging as described above, the expense shall not be proposed as a direct cost to a federally funded sponsored project and shall instead be charged to a department or school PTA.

#### **D. Specific Identification / Direct Assignment**

Departments shall specifically charge administrative expenses to the benefiting award when the above criteria above are met. These expenses shall be charged to the appropriate expenditure type.

A method of accounting for time, or percent of effort, is required in order to identify the benefit of the administrative and clerical personnel effort to the federal sponsored agreement.

A method of accounting for supplies and expenses is required in order to identify the benefit of the supply or expense to the federal sponsored agreement. Clear justifications at the time of the charge and quarterly certification of expenses by the principal investigator are needed to meet this requirement.

Administrative expenses may not be distributed or rotated among sponsored agreements. Departments shall not use any type of pooled allocation method to charge administrative expenses to federal sponsored agreements except from a service center with approved rates, or as described in the following paragraph.

If an individual cost specifically benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If an individual cost specifically benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the cost may be allocated to benefited projects on a reasonable basis. This requires a methodology, documented at the time the cost is incurred, that allocates costs based on some common characteristic such as head count, square feet, or some other criteria that reflects the benefit received by the projects. The criteria shall be consistently applied regardless of the projects' available funding.

#### **E. Technical Expenses**

Technical expenses shall be charged directly to sponsored projects if the expense can be specifically identified and provides technical benefit as described in the project's scope of work. The project need not be major, as defined in this policy, for technical costs to be charged directly. Direct charging of these costs may be accomplished through specific identification of the costs to the sponsored project or through service centers or specialized service facilities, as appropriate under the circumstances. Examples of such qualifying expenses include the following:

- Salaries of PIs and technical staff, and related fringe benefits
- Laboratory supplies
- Telephone toll charges for calls related to the scope of work

- Animals and animal care costs
- Non-administrative computer costs
- Travel costs related to the scope of work
- Specialized shop costs
- Specialized health and safety supplies, training, and services.

The above expenses shall be charged using the appropriate expenditure type. Note: General administrative supplies and expenses used by technical personnel (but not specifically required to accomplish the scope of work) are administrative - not technical - expenses and should be coded accordingly.

## **F. Examples of Major Projects**

The following examples of major projects, included in A-21, illustrate projects where it may be appropriate to directly charge administrative expenses. These examples are not exhaustive, but are intended to suggest the kinds of situations where the nature of the research requires a higher-than-normal level of administrative effort/expense. Major projects are those that are administratively intensive and are not necessarily reflective of the amount of funding. Some very large projects are not major, while some small, complex ones are.

Only the administrative expenses that relate directly to the activities that make the project major may be direct charged. In general, these are activities that relate to accomplishment of the project's statement of work.

A-21 includes the following examples:

1. Large complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
2. Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).
3. Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
4. Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
5. Projects that are geographically inaccessible to normal departmental administrative

services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.

6. Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

## **13.5 Salary Cap Administration**

Presents procedures for implementation of agency regulations that set a maximum salary level for project participants (salary cap).

### **13.5.1. Introduction**

CIHS will comply with all requirements of the agencies making awards to the Institute in support of research or other activities. Where an agency specifies a maximum rate at which an individual may be paid from that agency's funds, CIHS will ensure that any salary above that rate will not be charged to the agency.

### **13.5.2. Applicability**

Currently, the only agencies that establish salary caps are the Department of Health and Human Services (DHHS), which includes the National Institutes of Health (NIH), and the Department of Defense (DoD). The NIH salary cap is indexed to a specified Executive Pay Level and changes periodically. See Funding Limitations below.

### **13.5.3. NIH Salary Caps**

**[VIEW NIH SALARY CAP SUMMARY](#)**

### **13.5.4. Definitions**

#### **A. Salary Cap**

A Salary Cap is defined as a maximum annual rate of CIHS Salary for full-time effort that can be charged to an agency's award. NIH salary caps are indexed to a specific Government Executive Pay Level, e. g. Executive Level 2. The salary for the Executive Pay Level may vary for each Government Fiscal Year in which the funds are awarded (usually on January 1).

#### **B. Funding Limitation**

A Funding Limitation is defined as the limitation on the annual rate of CIHS salary for full-time effort that the agency provides in a given award. This limit is usually established at the time of a competitive award based on the salary cap in effect at that

time. However, if, after a competitive award is made, the NIH announces an increased Salary Cap, the agency will allow PIs to rebudget awarded funds, in that or future years, to charge the higher salary level. NIH has not historically provided additional funds for this purpose (see [NIH Salary Cap summary](#)).

### **C. CIHS Salary**

CIHS salary is defined as the pay that an individual receives from California Institute for Human Science upon which benefits are calculated. Annual rate is the amount of pay an individual would receive from CIHS for a 12-month period.

## **13.5.5. Procedure — National Institutes of Health**

CIHS' practices in submitting proposals recognize and respect the policies, guidelines, and practices of the involved agency.

### **A. Submitting Proposals**

NIH application instructions for competing proposals ask that CIHS calculate requested salary amounts by multiplying the full CIHS salary of the individuals proposed to work on the project by the appropriate percentage of effort to be expended on the project. NIH will adjust these amounts to reflect a Salary Cap, if any.

When submitting Modular Grants or other grants that limit total direct costs, or when submitting non-competing continuation proposals, whenever a proposed individuals rate of pay exceeds the allowable (capped) rate, CIHS will incorporate the applicable salary cap into the proposed salary budget.

### **B. Administering Awards**

CIHS' procedures in administering awards involving a salary cap will be consistent throughout the Institute. The salary cap is used to compute the maximum allowed rate for an individual pay period.

## **13.5.6. Procedure — Department of Defense**

Annual federal appropriations bills limit the amount of individual employee compensation that can be charged to government contracts. The provisions were originally included as Section 8117 of the Government Fiscal Year 1995 Defense Appropriations Act. The amount, applicability, and scope of the limitations change frequently. The Accounting Office (AO) office manages Institute compliance with these compensation limitations. Please contact AO for more information regarding the specifics of the limitations.

## **13.5.7. Responsibilities**

#### **A. Principal Investigators**

- Manage project funds in compliance with sponsor requirements.
- If a project is awarded with a funding limitation, and subsequent funding is awarded such that a higher level of salary charges becomes possible, determine whether or not to rebudget available funds.

#### **B. Department Administrators**

- Enter appropriate salaries on competing and non-competing proposals being submitted to agencies reflecting salary caps as applicable.
- Accurately charge salaries to projects and related cost sharing accounts reflecting no more than the percentage FTE identified by the PI on the project multiplied by the applicable salary cap.

#### **C. Office of Research**

- Maintain communications with funding agencies to assure understanding of agency requirements.
- Distribute agency guidelines to all involved Institute departments.

#### **D. Cost and Management Analysis**

- Identify any charges identified as salary over a cap as unallowable costs for federal charging.
- Include capped amount in the applicable Modified Total Direct Cost Base for Facilities and Administrative (F&A) rate calculation purpose

#### **E. Internal Audit**

Routinely audit salary cap calculations as part of its departmental compliance program.

## **13.6 Student Salaries Charged to Sponsored Projects**

States CIHS' commitment to provide research-related experiences for students and describes how indirect costs are applied to the salaries of those students.

### **13.6.1. Overview**



Student participation in faculty members' research activities not only enriches students' education, it can provide them with a persuasive introduction into academic careers. CIHS offers many opportunities for our students to participate in research that pushes at the frontiers of human knowledge.

Federal regulations require that California Institute for Human Science not waive indirect costs on student salaries. Instead, upon request, CIHS will provide a financial incentive through the office of the Dean of Research to encourage meaningful student participation on sponsored research projects.

This incentive recognizes the importance of integrating teaching with research. Student assignments should be designed to ensure that the students have meaningful research experiences and that their participation constitutes a legitimate contribution toward the work statement of the project.

### **13.6.2. NSF Exception**

Please note that in most cases student support should be treated as salaries. However, in the specific case of the NSF Research Experience for Undergraduates, NSF has agreed that payments to undergraduates may be in the form of stipends, i.e., student aid, which is outside the MTDC base and not subject to indirect costs under normal Institute policy. On most other sponsored research projects, however, payments to undergraduate students should be treated as a salary item, with indirect costs applied.

## **13.7 Cost Transfer Policy for Sponsored Projects**

Definition, requirements, and procedures related to cost transfers.

### **13.7.1. Definition of Cost Transfer**

A cost transfer is an after-the-fact reallocation of costs associated with a transaction from one Project-Task-Award (PTA) to another.

### **13.7.2. Cost Transfer Procedure**

Costs should be charged to the PTA for the benefiting sponsored project when first incurred. However, at times it may be necessary to transfer a cost to a sponsored project subsequent to the initial recording of that cost. Such transfers require careful monitoring for compliance with California Institute for Human Science policy, federal regulations and policies, and the federal cost principles that underlie all fiscal activities of sponsored projects.

The cost transfer procedure requires thorough documentation to support the transaction. In addition, the transfer must be timely, complete, and comply with allowability, allocability, and reasonableness requirements.

### 13.7.3. Applicability

This policy addresses requirements related to cost transfers involving sponsored PTAs.

### 13.7.4. Requirements Related to Cost Transfers

#### A. Timeliness

Cost transfers that represent corrections of errors should be completed within three months of when the error is discovered, and no later than six general ledger (GL) months after the original expense is posted to an award. Errors found during the required monthly expenditure statement review process should be corrected upon discovery.

For example, expenses for winter quarter (January, February, March) must be certified by the PI by the end of May. If a transaction posted during the January GL month was discovered during the review and certification process, it must be corrected no later than the July month end close.

		1	2	3	4	5	6
GL MONTH	JAN-16	FEB-16	MAR-16	APR-16	MAY-16	JUN-16	JUL-16
	Original* transaction posts in GL month		Qtr ends		Last month to review Winter Quarter expenses w/PI		Any corrections for transaction that posted in JAN-16 must post before this GL month closes

\*This applies to the original transaction only. It does not apply to a journal of a previous journal.

## Exceptions to time restriction of cost transfers

Exception	Discussion
Transactions necessitated by unforeseen circumstances	<p>These are not considered error corrections. Examples:</p> <p>allocations from Service Centers or Allocation PTAs</p> <p>transfers due to account set-up errors</p> <p>transfers due to new funding comes thru an unexpected mechanisms (e.g., an award comes in with a different prime sponsor than originally proposed or was thought to be a grant at proposal time, but once awarded is a contract)</p>
Transfers between tasks of the same sponsored project	<p>These are not considered error corrections because the expense remains in the same award.</p>
Changes in expenditure types within the same sponsored project	<p>Charges that do not impact changes to capital expenditure types.</p>
Incorrect charges	<p>Charges must be transferred off the non-benefiting sponsored project regardless of age of the expense.</p>
Refunds and unexpected credits	<p>Refunds benefiting a sponsored award must be allowed to post to the award even if it may necessitate a closeout correction.</p>
Transfers onto sponsored PTAs after	<p>Late charges are generally not allowed and must be transferred to a cost sharing PTA unless the expense also benefited a non-sponsored award, in which case it can be transferred to the other benefiting</p>

Exception	Discussion
six months or after award closeout	non-sponsored account. Only OoR or RFCS may authorize a transfer onto a sponsored PTA after six months with the concurrence of a school level approval.
Clearing an overdraft	At the end of a project to either a Cost Sharing PTA or to an unrestricted PTA depending upon the specific circumstances. See Section F of this policy "Overdrafts".

## B. Documentation

All cost transfers must be supported by documentation that fully explains the error as detailed below. An explanation merely stating that the transfer was made "to correct an error" or "to transfer to correct project" is not sufficient. Cost transfer documentation must include a justification that clearly shows:

1. How the expense directly benefits the receiving PTA
2. How the expense is allowable on the receiving PTA (e.g., attach documentation of sponsor approval)
3. The allocation methodology used if transferring expenses to multiple PTAs
4. The reason the expense was charged incorrectly to the first PTA
5. That any systematic reasons which might cause this problem to be repeated have been addressed
6. The reason for any delay in the timely processing of the transfer

### **Effective for transactions with a GL date of *January 2017 and after***

Large cost transfers that exceed \$10K or 10% of the award, and transfers within the first or last 90 days of a project, and transfers that do not meet the timeliness criteria receive

additional central review by OoR. For the transfer of all non-salary charges subject to the above criteria, a PDF of the general ledger showing the expenditure(s) requesting to be moved MUST be attached to the cost transfer transaction by the originator. Attaching detailed documentation for these transfers will facilitate their timely review by the OoR.

### **C. Sponsor Requirements**

Sponsors may have more restrictive guidelines on cost transfers; departments should consult the Office of Research when in doubt about the acceptability of a proposed cost transfer.

### **D. Pre-Award Costs**

For the effective and economical conduct of a sponsored project, it is sometimes necessary for costs to be incurred before the award document has been received. In such cases, departments should request that the Accounting Office set up an Early PTA. Information about establishing an Early PTA can be found. The Early PTA becomes the permanent PTA when the award is effective; no cost transfers are needed. Pre-award costs must be charged to a pre-award account and may not be placed on an unrelated award and later transferred to the benefiting PTA. The restriction for cost transfers does not apply to transactions necessitated by a sponsor changing the award number.

### **E. Costs Benefiting More than One Project**

Federal regulations require that an expense be:

- Solely to advance the work under the sponsored agreement, or
- A benefit to both the project and other work in proportions that can be approximated through reasonable methods.

A cost that benefits more than one project should be allocated at the time of the expenditure. At no time should a sponsored project be used as a holding account for costs that will subsequently be transferred elsewhere.

### **F. Overdrafts**

An overdraft exists if after the end date of an award expenses exceed funding. Expenses removed as a result of an overdraft should have been incurred during the last six months of the project. If an error is discovered after the end of the award, a transfer of expense should be made by removing the expense prior to award closeout. If after the end date of an award an expense is determined to be unallowable to the project (but did benefit the

project), the expense must be transferred to a Cost Sharing PTA for accounting purposes, although it cannot be counted towards a Cost Sharing commitment.

## **13.8 Program Income**

Defines Program Income and describes how to account for it.

### **13.8.1. Definition**

CIHS defines program income as gross income earned by CIHS that is directly generated by a supported activity of a federal award or earned as a result of the federal award during the award's period of performance.

### **13.8.2. What Is Included in Program Income**

Program income includes but is not limited to income from:

- fees for services performed under the award
- the use or rental of real or personal property acquired under federal awards
- the sale of commodities or items fabricated under a federal award
- principal and interest on loans made with federal award funds
- Registration fees collected under National Science Foundation supported conferences are considered program income.

### **13.8.3. What Is Not Included in Program Income**

Program income does not include:

- license fees and royalties on patents and copyrights
- proceeds from the sale of real property, equipment or supplies
- interest earned on advances of federal funds
- rebates, credits, discounts, and interest earned on any of them unless specified in the award terms and conditions or regulations

### **13.8.4. Federal Contracts**

If income is generated on a federal Contract contact the Office of Research (OoR) for guidance.

### **13.8.5. Non-Federal and State of California Awards**

Non-federal and State of California awards are not required to account for program income unless specified in the award terms and conditions or regulations.

### **13.8.6. Equipment**

When using equipment acquired with funding from an active federal award to provide services for a fee contact OoR.

## **14. Subawards**

### **14.1 Definitions and Classifications**

Defines subawards as administered through the CIHS Office of Research and distinguishes them from other procurement actions.

Describes the roles of the parties involved in proposal, issuance, oversight, and closeout of subawards, including the responsibilities of assessing and overseeing risk associated with a given subrecipient, audit oversight, monitoring subawards, review and processing of invoices, proper management of equipment purchased, fabricated or otherwise acquired under subawards, application of F&A costs, subaward reporting, and closeout. Links to associated forms and detailed procedures are also provided

#### **14.1.1. Definitions**

##### **A. Subaward**

A subaward is a formal written agreement made between California Institute for Human Science and a Subrecipient to perform a portion of the Statement of Work under a CIHS sponsored project. A subaward must include a clearly defined, intellectually significant Statement of Work (SOW) to be performed by the subrecipient. The subrecipient's SOW is performed by its personnel, using its own facilities and resources. The subrecipient takes full responsibility for adhering to the terms and conditions of the subaward including those flowed down from CIHS' sponsor, and assumes creative and intellectual responsibility and leadership as well as financial management for performing and fulfilling the subrecipient's SOW within the subrecipient's approved budget. The subrecipient's responsibility under a subaward is also called "programmatic decision-making" under federal funding terminology. A subaward SOW may include fabrication of specialized equipment to be used for the CIHS sponsored research project as a project-related asset or as a deliverable to the sponsor.

Subawards differ from procurement contracts used to acquire goods or services from vendors. Additional guidance is found in this policy.

## **B. Pass-Through Entity**

The pass-through entity is defined as a non-federal entity that provides an award to a subrecipient to carry out a program (Statement of Work on a sponsored project). The pass-through entity assumes responsibility for negotiation, issuance, oversight, and management of a subaward. The pass-through entity assumes many of the responsibilities typically assigned to a prime sponsor in issuance and oversight of an award to a grantee or contractor, including verification of the financial viability, adequacy of compliance controls and audit status of its subrecipients as well as oversight and verification of the subrecipient's fulfillment of its portion of the programmatic effort. CIHS serves as the pass-through entity for subawards issued under its sponsored projects.

## **C. Subrecipient**

A subrecipient is a non-CIHS entity that expends awards received from CIHS to carry out a portion of CIHS' programmatic effort under a sponsored project. There must be an arms-length relationship between CIHS and its subrecipients. In keeping with this requirement, the subrecipient may not involve an individual who is also a direct beneficiary of such a program at CIHS, the sponsor, or a higher-tier subrecipient. The subrecipient may be another educational institution, an independent laboratory, a foundation, a for-profit corporation, a non-profit corporation or other organization, and may be a domestic or foreign entity. Generally, CIHS does not issue subawards to individuals. For both federal and non-federal sponsored projects, CIHS adheres to the federal government's definition of a Subrecipient as defined in Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Section 200.93.

## **D. Sponsored Projects**

Subawards are issued under sponsored projects, including grants, contracts and cooperative agreements funded by extramural sources. On rare occasions, subawards may be funded under Institute Research awards. In this case, approval from the Institute research funding source must be obtained before the subaward is processed through the Office of Research (OoR). When subawards are funded under gifts, they are issued in accordance with the specific gift terms. Please consult with OoR in each such instance.

### **14.1.2. Distinguishing between a Subaward and a Procurement Action**

#### **A. Importance and Responsibility for Proper Classification**

The proper classification of an entity relationship as either a subrecipient or vendor at the time it is proposed is critical to ensure proper accounting for costs and compliance requirements. Misclassification may result in delays in subaward processing or inaccurate calculation of costs and may result in the PI having insufficient funding to



carry out the proposed program. In rare cases, incorrect classification of costs may threaten the ability of the program of work to proceed.

PIs have the initial responsibility for ensuring the correct classification of the relationship and its associated costs at the time funding is first requested from the sponsor. The PI or his/her designee must ensure that sufficiently detailed information about the proposed subrecipient and their SOW are provided both to their departmental administrators and to the applicable research administration offices. If the information provided is insufficient, research administration offices may request additional information from the PI.

If the departmental administrator or institutional official determines that a cost has been misclassified, s/he will require the proposal to be corrected before it receives institutional endorsement. PIs and departmental administrators are strongly encouraged to consult with their institutional representative well in advance of a proposal due date if they are uncertain about the correct classification of costs.

Please note: F&A waivers or reductions are not granted to remedy incorrect classifications of costs. PIs may request supplemental funding from sponsors, but such requests are rarely granted.

OoR staff and school-based research administration office staff are available for assistance in determining the proper classification of costs. Such consultation should take place at the time the PI has decided to propose a subaward on a sponsored project, well before the proposal is submitted for institutional endorsement and transmission to the sponsor.

## **B. Distinguishing Characteristics Between Subawards and Other Procurement Actions**

CIHS follows the requirements found in OMB Uniform Guidance, section 200.330 to distinguish subawards from other procurement actions, as follows:

CIHS will issue a subaward when:

- CIHS (with assistance from its sponsor, as required) determines who is eligible to receive the subaward
- the Subrecipient has its performance measured against whether the objectives of the sponsored program are met
- the Subrecipient has responsibility for programmatic decision-making\* (see definitions section, above)
- the Subrecipient assumes responsibility for adherence to applicable sponsor program compliance requirements\*

- the Subrecipient uses sponsor funds to carry out a program (Statement of Work) for CIHS as compared to providing goods or services
- CIHS will use other procurement actions when the entity:
  - provides the goods and services within its normal business operations
  - provides similar goods or services to many different purchasers
  - operates in a competitive environment
  - provides goods or services that are ancillary to the operation of CIHS' sponsored project
- is not subject to compliance requirements of CIHS' sponsor

\*Subawards are typically needed when the nature of the subrecipient's statement of work could result in intellectual property or publishable results being developed by the subrecipient. In most cases, the need for an entity to obtain compliance approvals (e.g., approval to use human subjects or animal subjects) will also indicate the need to use a subaward rather than a procurement action.

Consistent with the requirements found in the OMB Uniform Guidance, Section 200.330, there may be unusual circumstances or exceptions to the listed circumstances that will have a bearing on the ultimate classification of the costs. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship will be considered more important than the form of the agreement. It is not expected that all of the characteristics will be present in every case.

#### **14.1.3. Resolution of Disagreements Regarding the Proper Classification of Costs**

The PI, department, Accounting Office, and OoR may disagree about the correct classification of a given transaction. In the event of disagreement, the party who believes the transaction is misclassified may petition for reconsideration based on an assessment of the factors outlined in section B above. Petitions should be in writing, addressed to the Dean of Research, and should include the Subrecipient's proposed Statement of Work (SOW) and the reasons why the requestor believes the transaction is not appropriately classified. [Please note that a sponsor's approval of a budget submitted by CIHS is not, in and of itself, sufficient rationale since CIHS bears the ultimate responsibility for the accurate classification of costs.]

The Dean of Research will notify the PI and department of his or her determination, and the reasons for that decision.

#### **14.1.4. Post Issuance Changes in Status From Procurement Action to Subaward**

During the course of a sponsored project, the nature of a consultant's or contractor's services, originally acquired through a procurement action, may expand and deepen as the consultant or contractor takes on intellectual and creative responsibilities for a portion of CIHS' research project. Indicators of such expansion may be a change in the original deliverables under the procurement action, an increase in the funding, or changes that may lead to the development of intellectual property. In this case, the consultant's or contractor's relationship may transform into a subaward relationship. In this case, the procurement action will be terminated and a subaward issued through OoR.

PIs, departmental administrators, school-based research administrators and/or the Procurement Department staff handling requisitions for vendor, contractor or consultant services are responsible for identifying situations in which procurement agreements may be transforming into subawards. These should be brought to the attention of the appropriate OoR Contract and Grant Officer in a timely manner.

In some cases, OoR staff may also discover a shift during their subaward review process. Following an analysis of the individual circumstances, OoR will determine whether the mechanism for acquiring the services of the vendor/subrecipient must be changed. When a mechanism must be changed, every effort is made to ensure a smooth transition so that programmatic effort on the project will not be unduly disrupted. PIs and departmental administrators are responsible for cooperating in obtaining the necessary paperwork from the subrecipient and/or the sponsor, and for preparing the necessary CIHS paperwork to permit a subaward to be issued. Disagreements about the classification of work should be resolved through the resolution process described in section 3 above.

## **14.2 Proposing a Subaward**

Establishes requirements for proposing a subaward.

### **14.2.1. Determining the Need for a Subaward**

The PI is responsible for determining the need for a subaward on a sponsored project, and for the initial determination that a subaward relationship is appropriate. PIs may be assisted by their departmental administrators in making these determinations.

### **14.2.2. Selection of a Subrecipient**

The PI must select a subrecipient based upon his/her assessment of the potential subrecipient's ability to perform the Statement of Work successfully. This includes an analysis of the subrecipient's past performance, technical resources, financial viability, and an assessment of the reasonableness of the subrecipient's proposed costs in light of the work to be performed.

In rare instances, a PI may recognize the need for outside involvement on a project but is either unable to identify the best subrecipient by the time of proposal submission, or is unable to acquire all of the required paperwork from that subrecipient prior to proposal submission. In these instances, proposals may be submitted with a subrecipient "To Be Named." PIs may be asked to provide documentation of the basis for their subaward cost estimate for the work being performed. PIs will also be responsible for managing any budgetary shortfalls that may result from their inability to accurately predict a subrecipient's costs. Subrecipients should not be asked to reduce their F&A recovery or to otherwise cost-share because of CIHS' failure to include appropriate costs in our proposal.

### **14.2.3. Required Elements to Include in a Subaward Proposal**

CIHS requires the following documents in order for each named subrecipient to be included as part of CIHS' proposal to the sponsor. Proposals will not be endorsed by CIHS' institutional officials until these elements are on file.

1. Subrecipient's SOW, including a clear description of the work to be performed, the proposed timelines, and deliverables.
2. Subrecipient's Budget and Budget Justification, including the subrecipient's direct and indirect costs, calculated using the subrecipient's approved F&A and fringe benefit rates, and verifying any committed cost sharing.
3. Any additional elements that may be required by CIHS' sponsor for inclusion in the proposal.

Subrecipient proposal elements are expected to conform to the sponsor requirements for CIHS' prime proposal and should be in the format required by the sponsor.

Exceptions to the requirements outlined above should be rare, and must be approved by Dean of Research. In these cases, documentation must be maintained as to why an exception was granted and what follow-up action was taken to ensure that the proposal was retroactively brought into compliance in a timely manner (not more than two weeks after the proposal has been submitted).

If appropriate and acceptable documentation is not provided in a timely manner, CIHS may withdraw the proposal from sponsor consideration. Copies of approved exceptions should be furnished to the OoR at least quarterly.

### **14.2.4. Special Circumstances**

If any portion of the subrecipient's proposed SOW is to be performed at California Institute for Human Science or using California Institute for Human Science resources, the PI must notify OoR in advance of submission so appropriate measures can be taken.

### **14.2.5. Applying Facilities & Administrative (Indirect Cost) Rates to Subawards**

There are two types of Facilities & Administrative (F&A) costs on subawards: those earned by the Subrecipient, and those earned by CIHS.

A Subrecipient is expected to apply its own federally-negotiated F&A rates and bases when preparing its subaward budget, unless a lower rate or base has been agreed to by the Subrecipient's institutional official (e.g., to meet cost-sharing requirements, or to meet a sponsor's F&A rate limitation.) If a Subrecipient does not have an approved F&A rate, it must either have its proposed indirect cost rate approved by CIHS or elect not to recover indirect costs. This function is performed by OoR working directly with the proposed subrecipient and its audit firm and/or CPA. This review is best done before a proposal is submitted to a sponsor, but must be completed before CIHS can issue a subaward. For subawards issued under federal funding, in accordance with OMB Uniform Guidance, Section 200.414, subrecipients who do not have a federally-negotiated F&A rate may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC). CIHS applies the OMB Uniform Guidance "life-of-the-award" policy with respect to its subawards and will use the approved F&A rates authorized at the time of issuance of the subaward.

When CIHS' prime award uses an F&A rate that is based on an MTDC base, CIHS will recover its own F&A on the first \$25,000 of each subaward on a project. This recovery is calculated on the life of the subaward. When CIHS' prime award uses a total direct cost rate, CIHS will recover its own F&A on the full cost of a subaward.

CIHS' "life-of-the-award" policy applies to subawards under a research project. That means that the terms of the Subrecipient's F&A rate agreement in effect when the subaward is issued will govern F&A charges throughout the performance of the subaward. The period of performance on a subaward will not exceed CIHS' competitive segment on its award. When a renewal subaward is issued under a CIHS award that uses an MTDC base for calculating F&A, CIHS will recover its F&A on the first \$25,000 of the renewal subaward.

Any exceptions that impact CIHS' recovery of F&A must be approved by the Dean of Research.

## **14.3 Issuance of a Subaward**

### **14.3.1. Authorization for Subrecipient to Begin Work**

A subaward authorizing the subrecipient to begin work can only be issued after the prime agreement from CIHS' sponsor has been accepted on behalf of the institution. A subaward will not be issued, nor payments to a Subrecipient authorized, prior to CIHS' receipt and acceptance of a funding commitment from the prime sponsor. A CIHS PI or

designee may not authorize a subrecipient to begin working without a fully executed subaward agreement in place. Proposed subrecipients who commence work without a fully signed subaward agreement from OoR do so at their own risk and have no assurance of payment from CIHS. In the event a subaward is subsequently issued to a subrecipient, a subrecipient may claim costs properly incurred under its own risk, provided that the costs are otherwise allowable. In such cases, the Subrecipient must furnish evidence to CIHS that all required compliance approvals were in place at the time the costs were incurred.

After an award has been accepted and a financial account established by California Institute for Human Science, the PI or his/her authorized administrator may submit a request to issue a subaward. This request documents the amount authorized by the PI for the subaward and delineates the desired period of performance. OoR is not authorized to issue a subaward until an approved request is on file.

The following items must be present in order for OoR to begin drafting the subaward agreement.

- Subrecipient Statement of Work
- Subrecipient Budget that aligns with the amount of the requisition

As part of its subaward issuance process, OoR will collect additional compliance documentation and issue subawards in compliance with sponsor terms and applicable regulations, including the OMB Uniform Administrative Guidance, Sections 200.330-332.

Modifications to existing subawards are issued by OoR in response to requisitions submitted by a PI or his/her designee. PIs may not reduce obligated funding or prematurely terminate an approved subaward unless they submit a corresponding requisition to OoR to request a formal change in their subaward. In such cases, CIHS is required to honor the terms of the subaward, which typically require an advance notice period.

#### **14.3.2. Subawards Periods of Performance and Duration**

The period of performance of a subaward (including any requested extensions) may not be outside of CIHS' period of performance allowed under the prime award. Subawards may, however, be issued for shorter periods of time than CIHS' full period of performance. A new subaward will be issued whenever CIHS' sponsored project receives funding under a new competitive segment.

#### **14.3.3. Subaward Funding Mechanisms**

CIHS issues subawards on a cost-reimbursement basis. Rare exceptions may be made when it can be demonstrated that a fixed-price agreement is in the best interest of the

Institute. For subawards issued under federal awards, per OMB Uniform Guidance, Section 200.332, prior written approval from the prime sponsor will be required on fixed-price subawards up to the *Simplified Acquisition Threshold*.

#### **14.3.4. Initiating a Subaward After the Proposal is Submitted**

A PI may decide to engage the services of a Subrecipient after the proposal has been submitted to the prime sponsor. In this case, the PI must submit the required elements for a subaward to OoR as described in this policy. In many cases, sponsor prior approval will be required. PIs are responsible for initiating such requests for Sponsor approval, and for obtaining the countersignature of their authorized institutional official as required. Subawards may not be issued until all necessary sponsor approvals are obtained.

### **14.4 Subrecipient Monitoring**

Explains principles of accounting as they apply to subawards.

#### **14.4.1. Purchased or Fabricated Equipment on Subawards**

OoR reviews the property terms and conditions for all subawards issued under contracts, and on those grants where acquisition of capital equipment or fabrication by a subrecipient is contemplated. PIs and their departmental administrators are responsible for assisting OoR to ensure that property acquired or fabricated by a Subrecipient is managed in accordance with the reporting and delivery requirements of CIHS' prime agreement.

#### **14.4.2. Subrecipient Audit Requirements**

##### **A. Subrecipients Subject to OMB Uniform Guidance**

Prior to issuance of a subaward, the subrecipient must provide a complete copy of their most recent independent audit used to meet their OMB Uniform Guidance requirement, or a link to their record on the Federal Audit Clearinghouse. OoR will review the report to verify that there are no findings that may impact CIHS' subaward. In the event there are such findings, OoR will issue a Management Decision Letter and will monitor the subrecipient taking appropriate and timely corrective action if necessary

##### **B. Subrecipients Not Subject to OMB Uniform Guidance**

OoR will review the financial information and other relevant information from subrecipients as part of its entity-level risk analysis and will contact PIs with any

questions or to discuss the audit status or the proposed fitness of a particular Subrecipient.

### **C. Annual Audit Review**

As prescribed in OMB Uniform Guidance, Section 200.331, a Subrecipient's audit status will be reviewed annually. OoR's annual review will determine whether there are reportable conditions relating to the Subrecipient's internal controls, noncompliance by the Subrecipient with laws and regulations, questioned costs in the Subrecipient's financial statements, or other reportable audit findings which might affect a CIHS program.

### **14.4.3. Risk Analysis**

#### **A. Risk Analysis**

CIHS is required to perform a risk analysis to evaluate the likelihood that a Subrecipient will fail to comply with the requirements of the subaward (OMB Uniform Guidance, Section 200-331 and 200-519). Project-related risk analysis is handled by OoR during the subaward issuance process, and is monitored during the life of the subaward. Entity-level risk analysis is conducted as part of the Annual Audit Review process. The criteria used in evaluating risk includes, but is not limited to, the Subrecipient's audit experience, the prior oversight and monitoring the Subrecipient has received, the nature and complexity of the proposed research project, and fiscal maturity of the Subrecipient.

#### **B. Definition of High and Low Risk Auditees**

Low-risk Subrecipients include entities with current annual single audits containing "unqualified" opinions on their financial statements, and which have no reported material weaknesses in their internal controls. High-risk Subrecipients are entities which have not completed annual single audits, or whose audit results have demonstrated weaknesses in administering Federal funding, a history of failing to adhere to applicable provisions of contracts and grant agreements, or weak internal control structures. High-risk subrecipients can also include start-up entities with limited resources or prior experience in performing research.

#### **C. Special Actions with High-Risk Subrecipients**

When OoR has categorized a Subrecipient as "high-risk," OoR will work with the PI to ascertain whether or not a subaward should be issued, what special terms and conditions should be included in the subaward, as well as what additional oversight requirements will be necessary to adequately monitor the subaward. Some of these additional monitoring requirements (e.g, more frequent reporting, shorter periods of performance or smaller, more frequent funding allocations, more detailed invoices or backup documentation) may become the responsibility of the PI and his or her



administrators. Written agreements may be used to outline the responsibilities of the parties. OoR is responsible for ensuring that adequate arrangements are in place to mitigate the additional risk to CIHS before issuing or continuing subawards with high-risk Subrecipients.

#### **D. Subrecipient Site Visits and Site Audits**

OoR (and PIs) may elect to engage in a site visit to a Subrecipient to verify their programmatic, financial, and technical fitness.

#### **14.4.4. Corrective Action Plans and Sanctions**

In the event there are audit findings which relate to the funding provided by CIHS under any Subawards, OoR will require compliance by the Subrecipient with a Corrective Action Plan as required by OMB Guidance, Section 200.331. OoR will exercise its management authority and decision-making to determine whether to approve a Corrective Action Plan proposed by the Subrecipient or to modify that plan to incorporate additional requirements. PIs will be informed if their Subrecipient is subject to a Corrective Action Plan, and may be asked to help monitor the Subrecipient's compliance.

If the Subrecipient fails to have an audit performed in accordance with CIHS' requirements, does not exhibit reasonable diligence in adhering to subaward terms and conditions, including reporting and invoicing requirements, or does not fulfill its Corrective Action Plan, OoR may impose sanctions upon the Subrecipient, including withholding of payment, disallowing overhead costs, suspending the Subaward until such time as an adequate audit, or other.

#### **14.4.5. Principal Investigator Monitoring Responsibilities (Assisted by their Departmental Administrators)**

CIHS is responsible for ensuring that sponsor funds, including those provided by CIHS to other entities, are spent in accordance with all applicable laws and regulations. The Uniform Guidance requires CIHS, as the pass-through entity, to monitor its subrecipients. This monitoring requirement places CIHS in much the same position as if it were a Federal agency dealing with its own primary recipient.

CIHS has designated the PI as the individual primarily responsible for monitoring the programmatic and financial performance and progress of a subaward. Except as noted below, the subaward monitoring and compliance obligations of the PI may be shared with departmental administrators or other California Institute for Human Science employees; however, in no event may such monitoring and compliance obligations be delegated to a non-CIHS employee.

As part of CIHS' monitoring responsibilities, the duties of the PI during the life of the subaward are as follows:

1. To understand the terms and conditions of the prime award, including those flowed down to the Subrecipient and those that may have been imposed by CIHS, and to regularly monitor the Subrecipient's adherence to the subaward's terms and conditions. Such monitoring may take place through phone calls, emails, site visits, meetings, or other regular contact.
2. To insure that Subrecipient's invoices are prepared in accordance with subaward requirements; to verify that the costs incurred are in accordance with the approved budget or permissible rebudgeting; that costs were incurred within the approved period of performance and overall cost limitations, and are aligned in terms of cost and type of expense with the scientific progress reported to date; and that the costs are allowable, allocable and reasonable as they relate to the terms and conditions imposed by the sponsor and the subaward issued by CIHS. In the event the level of detail included on an invoice is not sufficient to understand the direct costs, or if it appears that some costs may be excessive or understated, the PI is responsible for questioning the Subrecipient's expenditures or requesting further documentation or explanation prior to approving an invoice. Copies of all such documentation and the ultimate outcome of the investigation should be retained in the project file. Such inquiries should be done in a timely manner (within thirty days after receipt of an invoice) so that the Subrecipient can be promptly paid for approved costs. OoR is available to assist PIs and their departmental staff in resolving issues that may arise.
3. To personally approve acceptable Subrecipient invoices for payment and to review expenditure statements or otherwise ensure that payments to Subrecipients are made in a timely manner, consistent with the terms of the subaward and approved invoices. The CIHS PI's signature on the invoice is required to certify that he/she approves payment of the invoice, attests that the charges appear reasonable and that progress to date on the subaward is satisfactory and in keeping with the statement of work. Effective September 1, 2015, Subaward invoices require the following statement to accompany the PI's signature: "In signing below I approve payment of this invoice and attest that the charges appear reasonable, and progress to date on this project is satisfactory and in keeping with the statement of work."
4. To monitor the Subrecipient's scientific progress in terms of the Statement of Work and any required milestones. If scientific progress is not satisfactory, or if technical reports required of the Subrecipient are not prepared timely, the PI is responsible for contacting the Subrecipient to address these issues. If continued performance is not satisfactory, PIs should contact OoR to discuss appropriate remedial actions or termination of the subaward.
5. On a quarterly basis, to review and certify the research project expenses (must be done personally by the PI). When a PI executes a Quarterly Certification, he/she is certifying the allowability, allocability, reasonableness, and consistency of the Subrecipient's expenditures and the related sufficiency of the Subrecipient's technical progress under each Subaward involved in the research project, as well as expenses incurred directly at CIHS.
6. To verify that the Subrecipient is adequately meeting any cost sharing commitments

made for the subaward.

7. To verify that any human subject, animal subject, biosafety or other compliance approvals applicable to the Subrecipient's Statement of Work are kept current throughout the performance of the subaward, both from the CIHS OoR and from the Subrecipient's parallel boards or committees. In the event of a lapse in approval, the PI is responsible for immediately notifying CIHS' applicable compliance committee and the OoR. Costs incurred by a Subrecipient during a period of lapse may not be charged to a subaward.
8. To be the primary point of contact for the Subrecipient during performance of the subaward. The PI may delegate those responsibilities on a day-to-day basis to another member of the research project, so long as such other member is a full-time, regular CIHS employee; however, such delegation may not be made to a contractor or temporary employee working at CIHS.
9. To ascertain whether the subaward Statement of Work or Budget, or both, require modification to add funding, time, or other considerations, and to notify OoR in a timely manner so an Amendment to the subaward agreement may be prepared. Most subaward modifications will also require the PI to submit a requisition to authorize the change.
10. To plan for efficient completion of performance and close-out of the Subaward. This includes requiring that the Subaward period of performance end no later than the end date of the prime award, and that the Subrecipient's final invoice, final technical report, and any required reports, including those on property, use of small businesses, or inventions, be submitted to CIHS as stated in the subaward terms and conditions.
11. To assist OoR, upon request, in obtaining or reviewing reports, advising OoR during risk analysis, complying with additional monitoring responsibilities for high-risk auditees, obtaining audit information or monitoring a Subrecipient's adherence to corrective action plans.

## **14.5 Closeout of Subawards**

Outlines the close-out requirements for subawards.

### **14.5.1. Close-Out Procedure**

A subaward is closed out when its period of performance comes to an end, regardless of whether CIHS' research project is ending or continuing. When feasible, it is advisable for a subaward period of performance to be slightly shorter than CIHS', to allow sufficient time for collection and review of the Subrecipient's final reports, verification of subrecipient data, and incorporation of the Subrecipient's research results into CIHS' final technical report to the sponsor.

#### **A. Final Technical Reports**

PIs are responsible for obtaining final technical reports from their subrecipients, and retaining a copy in their project file. PIs are encouraged to remind subrecipients of this need well in advance of the due date for such reports.

## **B. Other Close-Out Reports and Documents**

Other final reports, including property reports, patent reports, small/small disadvantaged business reports, and Assignment and Release documents may be required. PIs and departments may be asked to assist OoR in obtaining the necessary closeout reports in a timely manner from the Subrecipient.

### **14.5.2. Final Invoice**

In order for CIHS to comply with its financial report requirements, subrecipients are required to submit a final invoice, clearly marked Final, to CIHS no later than specified in the Subaward. In the event a Final invoice is not received within the required timeframe, CIHS may treat the Subrecipient's last invoice as its final invoice. Late Final invoices submitted to CIHS may not be paid. PIs and departments are responsible for assisting OoR in obtaining final closeout information, including invoices, from their subrecipients.

## **15. Property Management**

### **15.1 Control of Property**

Summarizes responsibilities for handling sponsor-funded/owned and Institute-funded equipment and property.

#### **15.1.1. Introduction**

This policy outlines the responsibilities for sponsor-funded/owned and Institute-funded equipment. Procedures are mandatory under CIHS' sponsored contracts and grants as well as under Institute policy. It is important that the policies concerning such equipment are carefully followed to ensure that CIHS is complying with all of its contractual and legal obligations.

#### **15.1.2. Responsibilities for Sponsor-Funded/Owned Property**

##### **A. Direct Control**

California Institute for Human Science is responsible for the control of sponsor-funded/owned property provided under the terms of sponsored project contracts and

certain sponsored project grants. The Institute delegates the direct control, maintenance, and accountability of sponsor-funded/owned property used in connection with a contract or grant to the PI. PIs may assign property control functions to the project staff, research coordinator, department property administrator, departmental administrator, or laboratory administrative staff.

#### **B. Policies and Procedures**

Institute policies and procedures on control of sponsor-funded/owned property are established by the Office of Research Administration (ORA) to insure compliance with contractual requirements.

#### **C. Government Contracting Officer**

Institute policies and procedures on control of sponsor-funded/owned property are established by the Office of Research Administration (ORA) to insure compliance with contractual requirements.

#### **D. Government Property Administrator**

A Government Property Administrator is designated by the Government contracting officer for each contract or grant involving Government property. The Government Property Administrator assumes responsibility for reviewing CIHS' property control procedures, for examining property records, and for insuring that Government interests are protected.

# Acknowledgements

The current Dean of Research, Jeffery A. Martin, thanks Stanford Institute Vice Provost and Dean of Research Ann Aarvin for her permission to heavily extract and use material from Stanford's Research Policy Handbook and use it with this citation affixed.