

**California State University Stanislaus
Post Award Grant Administration
Internal Controls Procedures**



CALIFORNIA STATE UNIVERSITY STANISLAUS
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OVERVIEW

Post Award Grant Administration (GA) at CSU Stanislaus follows the guidance of The California State University for its Internal Controls procedures. GA also follows the Office of Management and Budget (OMB) Uniform Guidance as it relates to cost principles, audit, and administrative requirements for Federal awards, the Council on Governmental Relations (COGR) for policy on research administration, and Education Department General Administrative Regulations (EDGAR).

ALLOWABLE COSTS

At California State University, Stanislaus (University) all grant and contract awards are made to and accepted by the University. The University is responsible for, and accountable for, the appropriate post-award administration of grants and contracts. It is the policy of the California State University (CSU) that each campus shall develop and maintain policies and procedures that ensure costs charged to sponsored projects are reasonable, allowable, properly allocable, and treated consistently to ensure compliance with applicable regulations and agreements.

Each awarded grant or contract must have an approved budget. As part of the pre-award process, an initial budget is prepared by the Office of Research and Sponsored Programs (ORSP), working with the Principal Investigator/Project Director (PI/PD), adhering to cost allowability guidelines. The budget is routed for appropriate institutional signatures according to approved policies and procedures and is submitted to the funding agency along with the project proposal, if required.

If the awarded budget deviates from the submitted budget by more than 10 percent of the total, then a new budget is prepared by Grant Administration (GA), working with the PI/PD. Budgeting for items not included in the original budget may require the sponsor's advance approval, if stated on the award document.

To ensure compliance with the agency and Federal regulations, PI/PD reviews and approves all transactions before submitting for payment. Additionally, all forms used to generate an expenditure of external funds are either reviewed prior to payment or a post audit is performed by GA.

GA applies the following tests for allowability of expenditures when recording project budgets and during the review/approval expenditure process after an award is made:

1. Allowable: Is the expense allowed on the grant?
The expense must be reasonable and must be given consistent treatment through application of generally accepted accounting principles appropriate to the circumstances. The award notice often places restrictions on specific expense categories (e.g., foreign travel, equipment, food, etc.). Additionally, the Federal government publishes OMB Circulars that contain grant administration regulations. California State University, Stanislaus, as an institution of higher education, is required to adhere to OMB Circulars A-21 and A-110.
2. Allocable: Can the expense be specifically allocated to the grant?
The expense cannot be a general expense that may benefit other programs or a campus department. An expense may be divided among several projects, but then must be in proportion to the benefit of each project. Examples of unallocable expenses would include utilities, payroll assistance, etc. Unallocable expenses, if allowed, are considered part of the indirect cost.
3. Reasonable: Is the expense reasonable?
OMB Circular A-21 determines a cost to be reasonable if "the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost

was made". Many factors are considered when determining whether a cost is reasonable: Is the cost necessary for the performance of the project? Is the purchase cost effective? Are there other less costly alternatives? Food and meeting expenses often do not meet the reasonable test. A good rule of thumb would be to ask: "How would this look if it appeared on the front page of the *Modesto Bee*?" or "Would you like your congressman to use your tax dollars for the same purpose?"

4. Consistency: Is the expense consistent with past practice or similar programs? According to OMB Circular A-21, similar expenses must be treated in a like manner. Circumstances may arise in which GA must evaluate how an expense was treated in the past and the impact that the questionable expense may have on other similar programs.
5. Timeliness: Does the expense fall within the project period? Grant expenditures must fall within the project period. Any purchase with grant funds must be utilized for the performance of the project. When the end date of a project approaches, last-minute purchases may require additional justification since the use of the purchased items must still be within the project period. For example, purchasing a computer during the last week of a project would not be allowed since the use of the computer would be after the project end date. Similarly, bulk purchases of supplies would not be allowed. Pre-award costs (up to 90 days) are allowed only with prior approval from the sponsor.
6. Justification: Is the expenditure request supported by sufficient justification? Situations may arise when GA may need more information in order to justify an expense. Keep in mind that auditors only see the paperwork sent through to Accounting. As a result, GA may send an email requesting clarification or additional information. If the expense does not meet the allowability criteria set forth in this section, further justification may be sought. GA has the final determination as to whether the expense is justified.
7. Documentation: Is there appropriate back-up documentation? Each document sent to accounting for payment must have sufficient documentation attached so an auditor can determine the nature of the expense and how it fits with the scope of work of the project. For example, meeting expenses where food is provided must be substantiated with a hospitality form justifying how the expenses were necessary for the project's scope of work, are normally substantiated with an agenda, and a sign-in sheet listing all participants.
8. Certification: The PI/PD must certify by signature that the expenses and claims are true to the best of their knowledge.
9. Availability of Funds: Expenditures need to have an approved budget line. GA is not responsible for cost overruns or for ensuring that sufficient funds are available.
10. Pro-Card Audit: A monthly post-audit is performed by GA for Procard and OfficeMax transactions. Payroll is reviewed monthly by GA to ensure appropriate chartstrings are charged. GA reviews all accounts on a monthly basis to ensure Purchase Order and other expenses are classified correctly.

FINANCIAL CONFLICT OF INTEREST

California State University, Stanislaus (University) requires Principal Investigators (PIs) and key personnel on a sponsored project to disclose a listing of significant financial interests (and those of their spouse and dependent children) that could be reasonably expected to bias the design, conduct, or reporting of the project. All PIs, Co-PIs and key personnel (referred to hereafter as investigator) listed in a proposal for external funding must complete a disclosure form before expenses can be charged to an award.

1. Financial Conflict of Interest (FCOI) Disclosure Forms:

- a. Federal Awards: The University has developed a form entitled Disclosure of Financial Interests Certification Form that is mandatory for all investigators who submit proposals to the National Science Foundation (NSF), the Public Health Service (PHS), or to other sponsors that have adopted the Federal requirements for financial disclosure.
- b. Non-Federal Awards: The University uses California Form 700-U (Statement of Economic Interests for Principal Investigators) for disclosure of financial interest for all non-governmental sponsors.
- c. Investigators are required to complete and submit FCOI forms at the following times:
 - i. At the time of proposal submission or before funds are expended after a proposal has been awarded.
 - ii. Annually, during the period of the award.
 - iii. Within 30 days of discovering or acquiring a new FCOI.
 - iv. Within 90 days after expiration of the award.

2. Financial Conflict of Interest (FCOI) Exemption Policy:

- a. Non-governmental entities exempt from disclosure requirements: Investigators are not required to complete a disclosure form if their project is sponsored by a non-governmental agency listed in Appendix A.
- b. Investigators are not required to complete a disclosure form if their project is funded by internal University funds.

3. California State University Conflict of Interest Policy:

In addition, the University requires the annual completion of a Statement of Economic Interests Form 700 for all University positions whose decisions “may foreseeably have a material effect on financial interests” of the University. Some faculty and MPP directors at the University may be required to complete both a project-specific disclosure form for Post Award Administration and a Statement of Economic Interests Form for Human Resources. Further information on the annual California State University (CSU) requirement can be found on the CSU Human Resources website: <http://www.calstate.edu/HRAdm/pdf2014/HR2014-04.pdf>

4. Subrecipients:

- a. The University requires subrecipients to identify whether they will follow the University’s FCOI policy, or if they have their own in place; if following their own FCOI policy, they must also verify that their policy complies with all appropriate regulations.
- b. The University requires that the subrecipient report identified FCOIs for its investigators within a timeframe that in turn allows the University to report FCOIs to the appropriate funding agency.

5. Institutional Certification and Review:

- a. Post Award Administration (PA) will collect all FCOI disclosure forms and forward to the Associate Vice President (AVP) of Financial Services or designee for review and signature. The AVP or designee is responsible for the following:
 - i. Determining whether an investigator has a significant financial interest (SFI) that could be deemed a FCOI.
 - ii. Developing a resolution plan with the investigator to manage, eliminate, or reduce FCOIs.
 - iii. Taking necessary action to manage FCOIs, including those of subrecipient investigators, and monitoring an investigator's compliance with established resolution strategies through completion of the project.
 - iv. If a FCOI is discovered that was not disclosed in a timely manner by an investigator or was not previously reviewed by the University, developing a resolution plan within 60 days of discovering the FCOI.
- b. Certification will be performed by the AVP or designee, and will be based on information provided by the investigator on the FCOI disclosure form for each entity that may be involved. The AVP or designee, will review disclosures, assess their potential for a FCOI, and develop a resolution plan with the investigator to manage, reduce or eliminate such conflicts.
- c. Prior to the expenditure of funds, the University will notify the sponsor of any FCOI and provide a resolution plan to address the conflict. If a FCOI is identified after an award has started, the University will notify the sponsor within 30 days of discovering the conflict.

6. Resolution Plan:

- a. If it is determined that a FCOI exists, a resolution plan must be developed with the investigator and implemented prior to the award being activated. The resolution plan must be in writing and approved by the Independent Review Committee (IRC).
- b. Resolution options may include but are not limited to:
 - i. Public disclosure of significant financial interests.
 - ii. Monitoring of research by independent reviewers.
 - iii. Modification of the research plan.
 - iv. Disqualification from participation in the portion of the project that is affected by the significant financial interest.
 - v. Divestiture of significant financial interests.
 - vi. Severance of relationships that create actual or potential conflicts.

7. Enforcement Mechanisms and Sanctions:

Potential violations of the FCOI resolution plan shall be handled by the IRC made up of the Provost/Vice President for Academic Affairs, Vice President for Faculty Affairs or designee, and Dean of the College where the sponsor award resides. This committee will establish and enforce appropriate sanctions based on the specific conduct of an investigator failing to follow the agreed upon resolution plan.

8. Reporting:

- a. For NSF awards, the AVP for Financial Services or designee will inform the NSF's Office of the General Counsel if the University is unable to satisfactorily manage a FCOI.
- b. For PHS awards, the AVP for Financial Services or designee will notify the PHS Awarding Component of the following information:
 - i. Grant/Contract number
 - ii. Project Director (PD)/ PI or Contact PD/PI
 - iii. Name of investigator with FCOI
 - iv. Whether FCOI was managed, reduced, or eliminated
 - v. Name of the entity with which the investigator has a FCOI
 - vi. Nature of the FCOI (i.e., equity, consulting fees, travel reimbursement, honoraria)
 - vii. Value of the financial interest (\$0-4,999; \$5K-9,999; \$10K-19,999; amounts between \$20K-\$100K by increments of \$20K; amounts above \$100K by increments of \$50K or statement that a value cannot be readily determined)

EFFORT REPORTING

California State University, Stanislaus (University) requires that all salaries and wages charged to Federally-funded sponsored projects are certified consistent with Federal requirements. As a condition to receive Federal funding, the University is required to maintain and certify the percentage of time that employees devote to Federally-funded sponsored projects. The University's time and effort certification process provides verification of salaries, wages, as well as the time and effort charged to Federally-funded projects. Grant Administration processes Time and Effort Report forms and follows up as necessary with the PI's and department administrators to ensure 100% completion. Time and effort reports are maintained by GA.

1. Time and Effort Reports:

- a. Each Time and Effort report indicates the distribution of the employee's total period compensation across all University functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc.
- b. Federally-funded sponsored projects are itemized and all other categories (e.g. teaching, administration, etc.) are grouped as "Other University Functions" for the purposes of time and effort reporting.
- c. Employees with dual appointments in a given time period will certify professional time and effort based on each individual appointment.
- d. All Time and Effort Reports will account for 100% time and effort.
- e. All individuals will certify their own Time and Effort Reports and then forward to the PI for signature. The PI certifies the Time and Effort Reports for all professional staff and faculty working on sponsored projects under his or her supervision. Time and Effort Reports for the PI will need to also be signed by the PI's Dean or supervisor.
- f. If an individual is no longer employed at the University, the PI will certify the employee's Time and Effort Reports.
- g. The signature on the Time and Effort Report is an endorsement by the employee that, to the best of their knowledge, the salary charges accurately reflect the effort distribution across all activities.

2. Changes to Time and Effort Reports during Certification:

- a. If the payroll distribution reflected on a Time and Effort Report does not accurately display how the employee spent his or her time, the employee must correctly indicate actual time and effort on the form prior to signature.
- b. The Grant Accountant will adjust salary charges accordingly where the certified time and effort differs from the payroll distribution. A difference of 5% or more of an employee's total effort over the award period could warrant an adjustment and subsequent revision of the time and effort report.
- c. Salary charged to a sponsored project must never exceed the amount of actual time and effort devoted to that project.
- d. If a change in time and effort indicated on the Time and Effort Report requires approval by the sponsor based on the terms and conditions of the agreement, GA will contact the PI.
- e. If there are no changes, or when any additional actions are complete, the Time and Effort Report is filed.

3. Certification:

- a. When a Time and Effort Report form has been signed and certified, no further changes will be allowed.
- b. PI's forward Time and Effort Report forms to Grant Administration by the posted deadline.
- c. The University may impose corrective action such as suspension of sponsored project accounts in the event of consistent failure to complete Time and Effort Reports.
- d. Grant Administration processes Time and Effort Report forms and follows up as necessary with the PI's and department administrators to ensure 100% completion.

RECORDING OF TRANSACTIONS

Grant Administration uses the following systems:

- Common Financial System (CFS) Sponsored Programs Module
- CFS PeopleSoft Finance/Student
- CFS Data Warehouse
- Data Reporting Services
- HCM/LCD.

The following groups/individuals have access to:

- CFS data entry:
 - The Financial Services Grant Administration Team.
- CFS Data Warehouse and Data Reporting Services:
 - Any personnel who has approval access given by department and Financial Services manager, and CIO.
- HCM/LCD:
 - Payroll and budget personnel.

Information is stored as follows:

- CFS Module:
 - Grant award information and attributes.
- CFS PS Finance/Student:
 - Grant financial transactions
- CFS Data Warehouse:
 - Reporting system for financial transactions and programmatic attributes reports.
- HCM/LCD:
 - Payroll transactions.

Costs are identified and accumulated separately by individual fund (CXXXX) and project codes correlating to the C fund number. Contracts and Grants are managed in the CSU 465fund.

Accounts are established when a fully executed award is received with appropriate signatures. ORSP staff are responsible for establishing the sponsor approved budget and entering the start and end date. Post Award grant accountant is responsible for approving all reimbursement requests and purchase orders, preparing invoices and entering journal entries, and closing accounts. Actual posting of the transactions into the GL is done by the Post Award Grant Specialists who reviews the invoices and JE batches prior to posting. Entries are also recorded through the Student system for student related transactions.

TRAVEL

The CSU Stanislaus President delegates authority for the oversight of University Travel Policy to the University Chief Financial Officer (Vice President of Business & Finance). The University pays or reimburses for Official University Business Travel related expenses that are ordinary, reasonable, not extravagant, and necessary to conduct official University business. All expense reimbursements and business travel arrangements must comply with University policies and procedures, prudent accounting practices, and applicable collective bargaining agreements.

It is expected that University employees will act in an ethical and responsible manner, regardless of whether a particular rule or policy statement addresses a specific situation. Travelers may be held accountable for their conduct under any applicable University or campus policies, procedures, collective bargaining agreements, and/or applicable provisions of the California Education Code. Where the provisions of this policy are in conflict with the collective bargaining agreements pursuant to HEERA, the collective bargaining agreements shall take precedence.

The University assumes no financial responsibility for expenditures incurred by individuals who fail to adhere to policy. Travel expenses not directly related to official University business are not reimbursable. Altering of business-related travel for personal convenience is permitted as long as there is no additional cost to the State or loss of productivity.

It is the responsibility of each individual who spends funds related to official University business travel, and for each administrator and approving authority who approves use of funds related to official business travel, to be aware of and follow the policy and related procedures in effect at the time of travel. Authorization to travel must be obtained from appropriate administrators within the employee's organization as determined by the organization's identified delegation of authority.

Grant Fund transactions of any amount can be approved by the Principal Investigator (PI). No additional approval is required since the fund disbursements are defined in the Grant contract.

All university travel must be approved through an authorization by the appropriate authorities. This process requires completing the Travel Request & Claim Form. The Travel Request identifies what travel costs can be paid or reimbursed to the traveler using University funds. The authorized Travel Request must be submitted to Financial Services Travel Office prior to the travel occurring. *Individuals traveling*

for University business that have not submitted the property paperwork may not be covered by University Insurance Policies and may be traveling at their own risk.

The Travel Claim must be completed and submitted to Financial Services within 30 days after the authorized travel has been completed. Reimbursement of authorized personal expenditures by the traveler is substantiated by the Travel Claim. If the traveler used a Corporate Travel PCard (US Bank) the Travel Claim will also be used by the traveler as supporting documentation attached to the Travel PCard monthly statement.

The Travel Request & Claim Form that was submitted prior to the travel event is utilized to enter the Travel Claim (actual expenditures). The traveler will only be reimbursed for those items paid personally that are supported by an itemized receipt.

Responsibility of the Authorized Approver:

1. Confirm that the pre-travel approval form (Travel Request) is attached.
2. Verify that the dates and purpose of travel noted are accurate.
3. Confirm that all expenses claimed are reasonable and appropriate, include the correct rates for reimbursement, and are supported by itemized receipts.
4. Ensure the accuracy of the calculation totals and account coding.
5. Sign the claim form to verify that all of the above information is approved and is eligible for reimbursement.
6. Forward the travel claim and documentation to the campus Travel Office

Responsibility of the Travel Office:

The Travel Office relies heavily on the verification of the authorized approver as to the appropriateness of the travel expense and the accompanying documentation. Unless the travel claim is incomplete and must be returned, this is the final step before a reimbursement payment is made. Review the submitted claim to ensure proper authorization according to the current delegation of authority records.

1. Check to make sure all required receipts or explanatory letters for missing receipts are included.
2. Verify and deduct any outstanding advances or pre-payments.
3. Process reimbursement and apply charges to accounting records.
4. Retain the travel claim for audit review according to the records retention schedule

PROCUREMENT

The Procurement department is the central purchasing authority for CSU Stanislaus. The Procurement staff members are identified as Buyers and/or Contract Specialists. The Accounts Payable department is responsible for all payments, excluding payroll. The Accounts Payable staff members are identified as AP technicians.

Sub contracts on prime agreements are the responsibility of the Procurement team. Procurement policies are available on the calstate.edu website, and it is the responsibility of the procurement office to stay in compliance when new contracts are entered in to. See Appendix A – Procurement Matrix for common and specialized purchasing processes.

EQUIPMENT PROCEDURES

It is policy of the California State University, and therefore at CSU Stanislaus, that campuses implement methodologies for the recording, tracking, and safeguarding of university property and the sale and licensing of intellectual property. Applicable property purchased with sponsor agency funds, such as laptop computers and iPads, fall under the custodianship of the university and are housed in the specific grant/program office to where funds were awarded. This property is serviced by the University's Office of Instructional Technology (OIT) to ensure proper care and function of the machines. GA follows all applicable university policies relevant to equipment, and are described below.

CAMPUS COMMUNITY AND DEPARTMENTAL RESPONSIBILITIES

Employees - Faculty & Staff

Employees of the campus community have an obligation to safeguard CSU equipment and property. This obligation includes, but is not limited to:

- Taking reasonable security precautions to discourage loss, theft, or misuse of property.
- Preventing the disclosure of protected data by complying with campus information security procedures.
- Reporting missing, lost, stolen, and vandalized property to appropriate personnel including the IT security department via the appropriate form (such as Report of Missing Property form, Campus Police Incident Report, and Police Report).
- Reasonable care, maintenance, and use of equipment to prevent damage.
- Returning equipment in satisfactory condition.
- Employees may be charged for any loss of or damage to CSU property that is attributable to their negligence or unauthorized use.

ACQUISITION OF EQUIPMENT

Equipment may be acquired by purchase (including lease purchase, installment purchase, and Procurement Card purchase), donation, transfers and fabrication. Equipment will be added to the inventory record, tracked, tagged and inventoried as appropriate.

Purchase

The cost of the equipment includes the purchase price, applicable taxes and freight, and any other costs associated with preparing the equipment for its intended use.

ASSET MANAGEMENT SYSTEM AND EQUIPMENT IDENTIFICATION (TAGGING)

Asset Management System

The generic term, asset management system, is the software program used to record the campus' acquisitions, transfers, and dispositions of CSU property. The asset management system is the campus official record for capitalized, instructional campus equipment and intangible assets. Non-capitalized equipment must be recorded either in the asset management system or in local campus defined records. The information entered into the asset management system may include, but is not limited to: the item description, date of receipt, purchase order number, location information for inventory, cost and other financial information for reporting. The description of the equipment entered into the asset management system may include (as available) make, model number, manufacturer, serial number,

campus identification number (tag number), and asset class as needed for capital asset reporting and depreciation. Accurate records must be maintained as to the current location of equipment to allow for inspection and/or inventory purposes whenever necessary. The timing requirements for adjustments to the asset management system need to be specified in the campus' procedures.

Identification of Campus Equipment

All capitalized and non-capitalized campus equipment (deemed taggable) must be tagged or marked with a unique identification number which is to be recorded in the asset management system and also on all applicable property control documents. The identification number will be directly applied to the actual unit unless its size or nature prohibits application. Any additional identification number required by the department must be applied in a manner that avoids confusion with the CSU identification number. CSU property should be tagged before it is distributed to the accepting department. If property is delivered to another physical location other than the Property Office, receiving, or off campus or if an equipment identification number becomes destroyed, defaced, or removed, it is the responsibility of the custodial department to contact the appropriate office to tag or re-apply a new identification number.

PHYSICAL INVENTORY

Physical Inventory of Campus Equipment

A complete physical inventory of all CSU capitalized and non-capitalized equipment (deemed taggable) must be performed at least once every two (2) years. To ensure proper segregation of duties, this 2 year physical inventory shall not be conducted by the custodial department (campus department assigned to the property). The campus Property Office may conduct this physical inventory or identify another party or department to do so, other than the custodial department. The completed inventory must receive management review and approval. Any discrepancies must be evaluated for further investigation and escalated to the appropriate authority based on the specific situation and value of the missing items.

Instructional equipment will be tracked for the purpose of preparing the Instructional Equipment Inventory Report required by the CSU Chancellor's Office, but will not be physically inventoried unless it falls into the capitalized or non-capitalized (deemed taggable) categories. The Physical Inventory of capitalized equipment will be reconciled to the general ledger, while non-capitalized equipment is not.

Off Campus Use of CSU Property

The CSU requires that campus property not be utilized off campus unless it is necessary for conducting CSU business. If CSU property (including property deemed trackable) has been approved to be used off-site, it is the responsibility of the department and user to complete an authorization form for off-site use before the property is in the custody of the user. During each inventory cycle, all off-site property must be "physically" verified and location confirmed. When the equipment is returned, the return of the property must be documented on the authorization form with appropriate signatures. The department must keep a copy on file and upon request forward a copy to the Property Office.

MAINTENANCE

Campuses must establish practices to reduce risk associated with the use of equipment by maintaining such equipment in good working order.

LOSS PREVENTION

Departments with equipment susceptible to theft or loss must implement one or more of the following protection measures:

- Ensure CSU equipment identification tags or permanent markings are visible on the equipment.
- Establish an internal check-out/check-in system for departmental equipment.
- Lock office equipment to desk or stands.
- Utilize a security room or closet to store high-risk equipment.

Missing, Lost, Stolen or Vandalized CSU Property

In the event that equipment becomes missing, lost, stolen or vandalized, a report shall be filed and forwarded to the appropriate departments upon discovery. For incidents with on-campus property, an incident report must be filed with the campus Police Department in the case of stolen and/or vandalized property. For incidents with off-campus property, the local police department shall be notified and a police report filed in the case of stolen and/or vandalized property. In all cases of information assets equipment, the IT security department must be notified immediately upon discovery and procedures taken to minimize security risks.

DISPOSITION OF CAMPUS PROPERTY

To eliminate the risk of sensitive information being released, the IT Department or other authorized personnel must certify that all information assets equipment (i.e., computers, workstations, laptops, tablets, personal style computing devices, copiers, faxes, printers, etc.) are sanitized in accordance with campus information security policy. Media sanitization is required prior to all disposals, including transfers to another department on campus. Documentation must be on file with the Property Office as evidence of completion. Refer to sample Media Sanitization Certificate.

Approval of Dispositions

To ensure proper internal controls and segregation of duties, no item of property shall be sold, transferred, or disposed of outside the campus, without prior approval of the campus defined Property Survey Committee (PSC).

REPORTING AND RECONCILIATIONS

CSU asset management reporting is used for many purposes including resource management, financial reporting and overall effective asset management. Financial Accounting & Reporting is responsible for authorizing the majority of financial reports and ensuring the reporting data is available for end users throughout campus.

Depending upon the campus process for entering capital assets into Asset Management, the campus may have to complete reconciliations to ensure that all capital assets received have been entered into the Asset Management system and capitalized. These reconciliations should be performed in a timely manner, either monthly or quarterly depending upon the volume of property transactions. The timing requirements for reconciliations should be specified in the campus' procedures. Reconciliations will show the date prepared, date reviewed, preparer's name and signature, and the reviewer's name and signature.

**APPENDIX A – PROCUREMENT MATRIX
COMMON PURCHASING PROCESSES**

PURCHASE REQUISITION	DIRECT PAY	PROCUREMENT CARD
<p>Purchase Order will be issued and funds will be encumbered.</p> <ul style="list-style-type: none"> Protects the CSU and ensures risk is mitigated through indemnification and proper insurance endorsements. Ensures the best price for products and services. Ensures utilizing CSU Master Agreement (price savings) <p><i>Process: submit a requisition using the PeopleSoft Requisition process. The process includes reviews and approvals by delegated authorities. After the requisition is approved, a purchase order is created in PeopleSoft and is dispatched to the vendor. An encumbrance of funds is charged against the requesting department's budget.</i></p> <p><i>If purchase is for a low dollar amount use the Procurement Card if the transaction qualifies.</i></p>	<p>The following can be ordered/obtained by the department and be paid by a Direct Pay request.</p> <ul style="list-style-type: none"> No value added by involving Buyers in the process (e.g., obtain quotes, apply purchase incentives, review documents) No purchase order issued to vendor No funds encumbered Expedites payments. A Vendor 204 Form must be submitted with the Direct Pay request if there is no current Vendor Data Record on file in PeopleSoft <p><i>Process: submit the approved invoice with a Direct Pay form to the Accounts Payable Department. The Direct Pay Form requires the delegated approving authority signature. If the submittal should have been handled via a purchase requisition, a "PO Exception Notice" must be attached stating why a PO was not obtained (e.g., accommodate emergency repair or service). The Notice must be signed by the delegated approving authority.</i></p>	<p>Procurement Card usage should be used as the first option before other existing methods for low dollar purchases (purchases that are not restricted and fall within the purchasers transaction limit).</p> <ul style="list-style-type: none"> Delegates authority and responsibility to the cardholder to purchase non-restricted items from suppliers. No Requisition or Direct Pay form to be completed. No value added by involving Buyers in the process (e.g., obtain quotes, apply purchase incentives, review documents) <p><i>Process: the cardholder processes the purchase (non-restricted items or transaction only). If the transaction is over \$1,000, a P-Card Purchase Authorization must be signed by the division Vice President prior to purchase. The cardholder retains the receipt. The cardholder prepares a monthly reconciliation report (according to the PCard schedule) and obtains approval from their delegated approving authority. Reconciliation report is submitted to</i></p>
CRITERIA FOR PURCHASE REQUISITION	CRITERIA FOR DIRECT PAY	CRITERIA FOR P-CARD
<ul style="list-style-type: none"> Construction Consulting Services Contracts & Agreements Electronic Purchases (e.g., computers, software) Fixed Assets-Items over \$500 requiring Property Control tracking Independent Contractors Installations Maintenance Agreements Repairs & Rentals Blankets – recurring services or supplies 	<ul style="list-style-type: none"> Accreditation Expenses Advertisement Attorney Fees Books/Subscriptions/Publications Conference and/or Seminar Fee Game Officials (Athletics) Insurance Premiums (Risk Management) Legal Fees & Settlements Memberships Medical lab/Physician Fees Non-employee travel Reimbursements for non-travel business expenses (if involved food, drink, or entertainment must conform to Hospitality Policy) Refunds 	<ul style="list-style-type: none"> Advertisement (non-staff recruitment) Books/Subscriptions/Publications Conference Registration Chartwell's Catering Goods under \$1,000 Memberships Training

SPECIALIZED PURCHASING PROCESSES

INDEPENDENT CONTRACTOR	GUEST LECTURER/HONORARIUM	PETTY CASH
<p>Procurement prepares an Independent Contractor Agreement and encumbers funds.</p> <p><i>Process:</i></p> <ul style="list-style-type: none"> • Department submits an E-Req to Procurement Office with description of service, beginning and ending dates of contract, total amount to be paid, and payment schedule (e.g., monthly, quarterly, percent of completion, etc.) • Department submits Vendor Data Record 204 Form if vendor not in PeopleSoft. • Department submits Independent Contractor Determination Checklist signed by the Contractor • May require proof of insurance or waiver/release from liability statement (check with Risk Management) 	<p>Based on the Guest Lecturer/Honorarium Agreement Form the person is paid a flat rate through Accounts Payable (not Payroll) and an IRS Form 1099 will be issued at the end of the calendar year for tax purposes if amount exceeds \$600.</p> <p><i>Process:</i></p> <ul style="list-style-type: none"> • Department submits to Financial Services Guest Lecturer/Honorarium Agreement Form • Department submits Independent Contractor Determination Checklist signed by the Lecturer • May require proof of insurance or waiver/release from liability statement (check with Risk Management) • Note: if the payee is a CSU employee (any campus) payment must be made through Payroll. (see Special Consultant Agreement). 	<p>Accounts Payable processes a reimbursement to a person if the claim meets the criteria:</p> <p><i>Process: submit a Petty Cash Voucher Request for Reimbursement Form with the original receipt attached.</i></p>
CRITERIA FOR INDEPENDENT CONTRACTOR	CRITERIA FOR GUEST LECTURER/HONORARIUM	CRITERIA FOR PETTY CASH
<ul style="list-style-type: none"> • Not currently appointed to a temporary, probationary, or permanent University-funded or reimbursed position. • Is engaged in an independent trade, business, or profession in which these same services are offered to the public (has business license number, taxpayer I.D.). • Services contracted are not available within CSU, cannot be performed by a CSU employee, or are of such a specialized or technical nature that the knowledge, experience or ability is not available through the normal staffing process. • University does not exercise control over details of the services to be performed (methods, hours worked). • Benefits and personal liability insurance are not furnished by the University. • Work area, supplies and equipment generally not furnished by the University. 	<ul style="list-style-type: none"> • Person provides service as an independent contractor, not a current CSU employee or an instructor of record. • Guest Lecturer: Person comes to campus and speaks to a class because of his/her expertise. • Honorarium: Fee (an expression of gratitude) for a non-recurring activity for which a fee is not legally or traditionally required. • Limited time (usually less than one week) and a limited dollar amount (usually \$5,000 or less) 	<ul style="list-style-type: none"> • Has to be \$50 or less • Cannot be travel related • Cannot be hospitality related