



Award / Contract Acceptance and Negotiation Procedure

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DESCRIPTION

This procedure outlines the process that SF STATE follows to negotiate and accept a grant award or a contract. Typically, grants do not require negotiation, other than budget revisions because most federal awards incorporate standard terms and conditions that are not negotiable. Most negotiations conducted by SF STATE involve awards from private sponsors, and contracts and subcontracts from other institutions.

DEFINITIONS

Grant / Subaward: A financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.

Contract / Subcontract: An award instrument establishing a binding legal *procurement* relationship between a sponsor and a recipient, obligating the recipient to furnish a product or service defined by the sponsor and binding the sponsor to pay for it.

PROCEDURE

- The Grants Administrator (GA) for the project forwards a copy of the award/contract to the Principal Investigator (PI) and initiates a conversation about deliverables noted in the document.
- GA reviews the terms and conditions of the award/subaward or contract/subcontract, focusing on:
 - a. The Schedule
 - b. General Terms and Conditions
 - c. Special Provisions
 - d. Scope of Work
 - e. Budgets and payment method
- If any of the requirements concerning these areas are considered unacceptable by the GA, they should discuss those requirements with their Sponsored Programs Manager (SPM). If the SPM agrees that the requirements are unacceptable, the GA will inform the PI. The SPM, in discussion with the Director of ORSP or AVP of Research, will negotiate acceptable conditions with the sponsor.

Note: Unacceptable requirements are those that would cause an extreme burden on SF STATE administration, or are programmatic requirements that SF STATE could not fulfill. Examples include:

- a. Monthly invoicing with special requirements, or invoicing by task
 - b. Deliverable(s) requiring an infusion of resources greater than those provided by the award
 - c. Technical Reports due every two weeks
 - d. Final invoice or final financial report due less than 90 days after the project's end date
- If there is any mention of Intellectual Property in the award/contract, the GA should forward the document to their SPM for review. The SPM will then forward to the AVP of Research, if necessary.

Procedure for Contracts / Subcontracts

- After initial review, GA/GSC forwards the contract/subcontract to their SPM for review; SPM returns to GA/GSC when their own review of the contract/subcontract has been completed

- After SPM review, GA/GSC routes a copy of the contract/subcontract document to Procurement for review, with notes concerning any unacceptable reporting and billing requirements. The PI is notified of these concerns as well.

Procurement

- Reviews the terms and conditions of all contracts/subcontracts for:
 - a) Indemnification Clauses
 - b) Insurance
 - c) Termination Clauses
 - d) Intellectual Property Provisions
- Reviews any notes from the GA (e.g. unacceptable billing, reporting, or other requirements)
- If any of the terms and conditions are unacceptable, or are not in compliance with State of California, CSU, or SF STATE policies, the Director of Procurement, or their designee, will contact the sponsoring institution to negotiate acceptable terms and conditions.
- Once the Procurement review and any resulting negotiation are complete the Director of Procurement, or their designee, will sign copies of the contract/subcontract. The document(s) will then be returned to the GSC.
- If the agreement is already signed by the sponsor, this becomes a fully executed agreement. The GSC will send a copy to the sponsor.
- Procurement returns the document to ORSP and the GA reviews for proper signatures. If the agreement is signed by both SF STATE and the sponsor, the GA begins the Award Setup Procedure.
- If the agreement is not signed by the sponsor, the GSC contacts the sponsor and sends the agreement via mail or email to obtain the sponsor's signature.
- Once all signatures have been received on the document, the GA can fax or email a copy of the fully-executed document to the sponsor.
 - a) Procurement will accept electronic transmission of signatures for contract/subcontract documents, as long as the GA/GSC submits the accompanying e-mail or transmittal page along with the (electronically) signed document that was transmitted.
- Once the fully executed contract is returned to SF STATE, the GA begins the Award Setup procedure.

Procedure for Awards

- For federal grants and private organization grants that have no extraordinary requirements, the GA simply initiates the Award Setup procedure.
- If the award requires an SF STATE countersignature to accept the award, the GA forwards the award document to their SPM. The GA's SPM will determine if the award needs to be forwarded to the ORSP Director for review and signature, or to Procurement for official counter-signature on behalf of the University. Any notes from the GA concerning any unacceptable reporting and billing requirements should be included.
- Once the review is complete, the ORSP Director (or Director of Procurement, when necessary) countersigns the document, and returns the agreement to the GA to begin the award setup process.

Note: If the new award includes subcontracts or subawards that will be issued by SF STATE, the agreement is forwarded to the Grants Support Coordinator to setup those agreements.

RELATED DOCUMENT

- [Award Set-Up Procedure](#)