



Award Acceptance and Negotiation Procedure

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SUMMARY

- 1) The Office of Research and Sponsored Programs (ORSP) Director, the Post-Award Manager, and the Grants Administrator review all award terms and conditions before signing a Budget Request Form at the time of award set-up.
- 2) ORSP and Fiscal Affairs follow a standard procedure to negotiate and to accept all awards, whether they are contracts or grants.
- 3) Following receipt of an Award Notification or Letter of Award, ORSP follows a standard procedure to notify staff, the Principal Investigator, and other campus offices.

DESCRIPTION

This procedure outlines the process that SFSU follows to negotiate and accept a grant award or a contract. Typically, grants do not require negotiation, other than budget revisions. For contracts, most federal contracts incorporate standard terms and conditions that are not negotiable; most negotiations conducted by SFSU for new contract awards involve awards from private sponsors, sub-contracts from other institutions, and contracts.

ROLES AND RESPONSIBILITIES

Office of Research and Sponsored Programs (ORSP)

- **Associate Vice President for Research and Sponsored Programs / ORSP Director / Pre-Award Manager / Post-Award Manger**
 - Upon receipt of an award notice these individuals forward the notification to appropriate staff who log the receipt of an award, create an award file, and forward documentation to a Grants Administrator who initiates the Award Set-Up process.
- **Pre-Award Program Coordinator**
 - Logs new awards and routes the award documentation to the Grants Administrator to review the terms and conditions of the award.
- **Grants Administrator (GA)**
 - Reviews the terms and conditions of the award, focusing on the Financial Reporting, Technical Reporting, and Billing Requirements.
 - If the GA determines that any of these clauses are unacceptable, the GA consults with the Post-Award Manager, the GA informs the PI, and negotiates acceptable conditions with the sponsor.

- **ORSP Director**
 - Reviews the award documentation, including the terms and conditions of the award, before signing the Budget Request Form during the award set-up process.
 - If the sponsor requires countersignature, the Director of ORSP will sign the document after any necessary changes and negotiation have been completed.

Procurement Office

- **Director or Assistant Procurement Officer**
 - Reviews and signs non-federal contracts and sub-contracts issued to SFSU.
 - When reviewing such agreements, issues regarding intellectual property, insurance, indemnification, and termination are identified and negotiated (if necessary).

PROCEDURE

Grants Administrator (GA)

1. Once the Pre-Award Program Coordinator provides the award documentation to the GA, the GA reviews the terms and conditions of the award document and focuses on the following areas:
 - a. Financial reporting requirements
 - b. Technical reporting requirements
 - c. Billing requirements
2. If any of the requirements concerning these three areas are considered unacceptable by the GA, the GA discusses the requirements with the Post-Award Manager in ORSP. If the Post-Award Manager agrees that the requirements are unacceptable the GA consults with the Post-Award Manager, the GA informs the Principal Investigator, and negotiates acceptable conditions with the sponsor.
3. Unacceptable requirements are those that would cause an extreme burden on the SFSU administration, or are programmatic requirements that SFSU simply could not fulfill. Examples include:
 - a. Monthly invoices due within 5 business days of the end of the month
 - b. Final financial report due the day the project period ends
 - c. A deliverable that would need an infusion of resources greater than those provided by the award
 - d. Technical reports due every two weeks
4. If the award is a non-federal contract (contract from a private company or a sub-contract from another institution) the GA will route the contract to the Director of Procurement with notes concerning any unacceptable reporting and billing requirements.
5. If the award is a federal contract that requires a countersignature from SFSU, the GA will bring the award document directly to the ORSP Director for review and signature. (see below)

Director of Procurement (for non-federal contracts)

1. If the award is a sub-contract to SFSU from another institution or a contract from a private company, the Director of Procurement reviews the terms and conditions of the sub-contract, including:
 - a. Indemnification clauses
 - b. Insurance
 - c. Termination clauses
 - d. Intellectual property provisions
2. Reviews the notes the GA might have included concerning unacceptable billing, reporting, or other requirements.

3. If any of the terms and conditions are unacceptable, or are not in compliance with the State of California policies, the Director of Procurement will contact the sponsoring institution to negotiate more favorable terms and conditions.
4. Once the negotiation is complete, the Director will countersign the sub-contract or contract document to fully execute the agreement. If the agreement is not signed by the sponsor, the agreement will be returned to the GA to be sent to the sponsor for signature.
5. Once the Director of Procurement review is complete, the sub-contract agreement is returned to the GA in ORSP.

Grants Administrator

1. Obtains the agreement from the Procurement Director and performs a review of proper signatures. If the agreement is signed by both parties (SFSU and the sponsor), the GA forwards the agreement to the ORSP Director to sign.
2. If the agreement is not signed by the sponsor, the GA contacts the sponsor and sends the agreement via mail to obtain the sponsor's signature.

ORSP Director

1. If the award is a federal contract that requires a countersignature, the ORSP Director reviews the award documentation for unacceptable terms and conditions prior to countersigning the document on behalf of SFSU.
2. The Director reviews the award document with special attention to the following issues:
 - a. Preamble and "Whereas" clauses
 - b. The Schedule
 - c. General Terms and Conditions
 - d. Special Provisions
 - e. Representations and Warranties
 - f. Scope of Work
 - g. Budgets and payment method
3. Once the review is complete, the Director countersigns documents whose award requires an SFSU signature, and forwards the agreement to the GA to begin the award set-up process.

Grants Administrator

1. For federal grants and private organization grants that have no extraordinary requirements, the GA initiates the award set-up process.
2. For contracts: once the GA receives the countersigned award documentation from the Director of Procurement or the ORSP Director, the GA begins the award set-up process. Please see the Award Set-up Procedure for additional information.
3. If the new award includes sub-contracts that will be issued by SFSU, the agreement is forwarded to the Grants Support Coordinator to set-up the sub-contract agreements.

ORSP Director

1. If the award does not require a countersignature, the Director of ORSP reviews the award documentation at the time of the award set-up before signing the Budget Request Form that authorizes the creation of an account.

RELATED DOCUMENT

- [Award Set-Up Procedure](#)