As a Principal Investigator (PI), what major changes do I need to know?

**Criteria for Administrative and Clerical Salaries:**
- Administrative or clerical services are “integral” (essential, vital or fundamental) to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly budgeted or have prior written approval; and
- The costs are not also recovered as indirect costs (e.g., FAs).

If all of the above are met, PIs should add a justification statement to proposals to facilitate the required agency approval.

**Computing Devices (Under $5,000 unit cost):**
Computing devices such as laptops, netbooks, smart phones, and tablet computers under $5,000/unit may be charged directly to the project or activity under the following circumstances:
- Must be “essential”, though not solely dedicated, to the performance of a federal award.
- The project does not have reasonable access to other devices or equipment that can achieve the same purpose.
- Items costing more than $5,000 per unit are considered equipment and follow federal equipment rules for when they can be direct charged.

After UG implementation, participant support costs are allowable with agency prior approval. These include:
- Stipends;
- Subsistence allowances;
- Travel allowances, and/or
- Registration fees;

that are paid to or on behalf of participants or trainees (but not employees) for conferences or training projects. Participant support costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs. These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.

Voluntary committed cost sharing is not expected for research proposals and should not normally be considered during merit review of proposals unless specifically mentioned in the solicitation.

For conferences, costs such as meals and refreshments are allowable only when the primary purpose of the meeting is to disseminate technical information beyond the non-federal entity and necessary and reasonable for successful performance under the federal award.
Visa Costs

For projects that need skills from foreign persons, short-term visa fees if applicable can be proposed as direct costs.

Criteria for directly charging of visa costs must be:

- Critical and necessary for the conduct of the project;
- Allowable under the applicable cost principles;
- Consistent with UH cost accounting practices and policy (i.e., handling of short-term visa costs for non-extramural activities); and
- Meet the definition of direct cost in the applicable cost principles.

Examples include TN, J-1, O, and H-1B visas.

F&A rates and F&A rates for Subawards

Federally negotiated F&A rates must be accepted by all federal awarding agencies and passsthrough entities unless F&A recovery is limited by federal agencies.

If a subrecipient has a federally negotiated F&A rate, it must be used. For subrecipients that have never negotiated an F&A rate, a 10% of MTDC rate should be used. However, if a federal program has a published statutory F&A cap, both the University of Hawaii and all its subrecipients must use that rate.

Prior Approvals

Agency prior approval is required to enter into a fixed price/rate subaward and the total value of each fixed price/rate subaward may not exceed $150,000. To expedite agency approval, PIs should add a justification statement to proposals contemplating a fixed price/rate subaward. A justification statement is not needed for cost-reimbursement subawards.

As a Principal Investigator (PI), what major changes do I need to know?

Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from federal awarding agencies. Federal agencies are authorized at their option to waive all prior written approval requirements, except for those related to a change in scope or objective. For non-construction federal awards, prior approval is required for one or more of the following program or budget related reasons:

- The “disengagement” (instead of “absence”) from the project for more than three months, or 25% reduction in time devoted to the project by the approved PI or project director (PD). This recognizes that the PI or PD does not need to be physically present to be engaged in an award.
- Changes in approved cost sharing or matching provided by the non-federal entity.

Should you have any questions, please contact:
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For more detailed information, please go to the ORS website at http://ors.hawaii.edu

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