Office of Management and Budget (OMB) Mandated Internal Control Program

The U.S. Office of Management and Budget (OMB) requires that recipients of federal funds maintain a system of internal controls over extramurally funded activities, per OMB’s Uniform Guidance (2 CFR 200.303). During UH’s annual single audit, auditors test and report on internal control over compliance in accordance with the Uniform Guidance. The internal control program complies with guidance in “Standards for Internal Control in the Federal Government” and the Treadway Commission’s “COSO framework” which is comprised of the following elements:

1. Control Environment – overall tone of compliance (e.g., policies and appropriate organizational structure);
2. Risk Assessment – ability to identify and analyze risks, ultimately to determine how to manage risks;
3. Control Activities – procedures and systems to ensure compliance with laws, regulations and guidance;
4. Information and Communication – how information is controlled (e.g., accounting and recordkeeping systems) and channels to ensure that employees understand compliance requirements; and
5. Monitoring – methods to test the strength of procedural and systematic transactions to identify deficiencies and make improvements.

UH developed a two-pronged approach to meet OMB’s requirements – a “Survey of Internal Controls”, and program testing.

In 2016, ORS launched its first annual system-wide “Survey of Internal Controls” that incorporated feedback from 20 different UH offices. The survey covered 38 broad compliance topics and a total of 660 questions concerning particular practices. Survey participants self-identified strengths and weaknesses in their areas of responsibility. Participation in the system-wide survey was 100%, and the results enabled ORS to identify the topics with the most gaps to recommend targeted improvements.

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In 2016, ORS also simultaneously launched program testing. Surveys were sent to principal investigators of 17 awards, covering 12 different UH colleges and/or financial aid programs, and research administrators or fiscal administrators of 22 accounts covering 12 different UH colleges and/or financial aid programs. Some of the common areas of concern included untimely reconciliations and updating of records, lack of understanding of organizational structures and lines of authority and unfamiliarity with certain policies, procedures, laws and regulations.

ORS appreciates the cooperation and participation of those individuals in program testing. As a result of these surveys, ORS will be distributing memoranda to survey participants who self-identified program weaknesses, and recommending that particular controls be instituted for improvements.

If you have questions, please contact Dawn Kim, ORS Compliance Manager, at dawnkim@hawaii.edu or (808) 956-0396.

For federal funds, the Office of Management and Budget (OMB) Uniform Guidance requires that all federal awarding agencies and pass-through entities accept the university’s federally negotiated Facilities & Administrative (F&A) rates unless (a) prohibited by federal law for a class of federal awards or a single federal award or (b) approved by a federal awarding agency head. The above limitations are considered sponsor caps for federal-funded awards.

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For non-federal funds, an indirect cost rate is considered a sponsor cap when the limitation or prohibition on F&A costs can be verified through the web or provided via official written documentation from the sponsoring agency. Examples of acceptable official written documentation include policy manual or request for proposal (RFP) of the sponsoring agency’s F&A policy. The policy or RFP must apply consistently to all award recipients. Letters from the sponsor that do not refer to applicable statutes, regulations or policies or that apply only to a specific award or recipient are not acceptable. If the sponsor identifies a rate that is applicable to UH but allows for higher rates for other award recipients, the rate would not be considered a sponsor cap and would thus require waiver approval from the respective chancellor or their designee.

If you have questions, contact Joanne Yama, ORS Associate Director of Cost Studies, at jyama@hawaii.edu or (808) 956-9242.

As noted in Section 12.3.6.1 (Mentored CDAs) of the NIH Grants Policy Statement (November 2016):

Mentored awardees are allowed to devote complementary effort without salary support on other research grants that include related research between the CDA and the research grant. In such cases where there is scientific overlap, the percent effort on the research grant is subsumed within the required effort of the CDA. However, there should not be significant duplication of the scope of the research supported by the CDA. Further, the related research must be consistent with the goals and objectives of the CDA.

Approval to cost share should be obtained in all cases from the “K” award Grants Management Specialist. If the effort will be used to meet required cost sharing on the research grant, approval should also be obtained from the appropriate party of the sponsoring agency.

A “K” award is an exception whereby a federal award may be used to meet a cost sharing requirement. If cost sharing is required on the research grant, the cost sharing flag on the account should be marked as “yes” and the applicable cost sharing entry recorded in KFS.

If you have questions, please contact Joanne Yama, ORS Associate Director of Cost Studies, at jyama@hawaii.edu or (808) 956-9242.
Reminder—
Conflicts of Interest (COI) Disclosures

As of November 28, 2016, UH Investigators have been able to submit Conflicts of Interest (COI) disclosures in the new myGRANT COI module. The new module is for Investigators who conduct extramurally-funded activities and will replace the annual paper disclosure form previously required of all UH employees by UH Administrative Procedure A5.504.

In accordance with UH Policy and Procedures, any Investigator or Key Person listed on the proposal must complete requisite COI disclosures. UH employees should submit their disclosures through the myGRANT COI module, and non-UH employees should complete the ORS FCOI Form for Non-UH Employees (http://www.ors.hawaii.edu/files/FCOI-1_non-UH_form.pdf).

The annual paper disclosure forms collected in 2016 will expire soon on April 15, 2017, so ORS is encouraging UH Investigators to complete a COI disclosure in the new module as soon as possible to prevent the delay of any proposals or awards, as all COI disclosures must be submitted prior to any proposal submission to extramural sponsors.

Please be advised that after April 15, 2017, proposals will not be submitted to extramural sponsors unless all Investigators and Key Persons listed on the proposal have completed the requisite disclosures described above.

UH employees can access the COI module by logging in to myGRANT and navigating to the my COI Dashboard (red button) as shown below:

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For myGRANT routing, do I need to add my Co-Investigators/Key Personnel’s department approvers on as ad-hoc approvers?

You do not need to add these extra ad-hoc approvers. The system will automatically add on the necessary approvers for co-investigators and they will be in parallel with the routing for the PI. For Key Personnel, you have the option to add their department to the approval workflow. This is based on if the Key Person has a unit added under the “Personnel” tab. You will still need to add ad-hoc approvers for financial/time commitments from other UH Departments that are not already included in the routing.

Can I set my own delegations for myGRANT workflow approvals?

You have the ability to set your own delegations for workflow approvals. Please note that these delegations will only apply to workflow approvals, not other tasks such as creating proposals.

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To set up a delegation, click the “Delegation” icon on the myGRANT homepage:

Once you log in, click on the “Add a new delegation” button:

Add a new delegation

Enter the UH username, or use the “Lookup” tool to find the UH username of the person you want to add as a delegate. If this is a temporary delegation (for example, if you are going on vacation or sabbatical) you can enter the date range of when this delegation will be active, or you can leave it blank for an indefinite range. Check the box “I want to still be able to approve and get notifications” if you would still like to be included on the workflow and receive notification emails from myGRANT. If unchecked, your delegate will replace you in the workflow and you will no longer receive notifications from myGRANT.

When you are done, click the “save” button. The new delegate should now show up under “Delegations for ____”