From the Director’s Office

Aloha,

As the fiscal year comes to a close, ORS is proud to state that the University of Hawai‘i (UH) has received over $400 M in awards for Fiscal Year (FY) 2009. Of the $400 M, $2 M was received from the National Science Foundation (NSF) and National Institutes of Health (NIH) Recovery Act/ARRA funds. Congratulations to UH Distinguished Researchers, Research Administrators and ORS Staff for what we have accomplished together.

The ORS Financial Compliance section will be working closely with the Principal Investigators (PIs) and Research Administrators to obtain the necessary information to ensure that UH is in compliance with our sponsors, any Recovery Act/ARRA reporting and “Timely Spending of Funds” requirements. ORS will also conduct training in September to prepare the PIs for the initial Recovery Act/ARRA filings due in October. Thank you in advance for your cooperation.

Have a wonderful summer!

Mahalo, Yaa-Yin Fong, Director

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University of Hawai‘i (UH) Coordination for Limited Solicitation Proposals

With increases in Federal stimulus funding and scarce institutional resources, proposal submissions are on the rise. Funding agencies must deal with larger number of proposals with only existing staff to do the reviewing. One solution is to have the institutions assist with the screening process. We are seeing more and more limitations on the number of proposals an institution may submit.

Office of Research Relations (ORR) and ORS will continue to communicate funding opportunities with limitations, as they are brought to our attention. Since it is not possible to catch all of the limited solicitations at any given time, we need to ask for help from the Principal Investigators (PI).

If you are interested in applying for a solicitation that has a limit on the number of submissions, please contact Harold McArthur before you start any proposal preparation. This will not only ensure your proposal receives a fair institutional review, but also minimize any unnecessary proposal preparation work on your part.

With limited staff at UH, it falls on everyone to do their part to help the university develop and submit the strongest proposals with the greatest chance for funding.

For more information, contact Dr. Harold McArthur, Assistant Vice Chancellor for Research Relations at hmcarthu@hawaii.edu or (808) 956-8128.
Office of Naval Research (ONR) Spending Standards

Office of Naval Research (ONR) financial performance monitoring standards anticipate that projects will spend proportional to the period of performance. A review by the ONR Program Manager may be triggered if it appears that an award is failing to keep pace with these standards. ORS will continue to forward notices on non-proportional spending to the respective Principal Investigator (PI) for a response. In addition, ONR has recently indicated that the ONR Comptroller Benchmarks for spending are:

- 100% for Fiscal Year (FY) 2008 funds
- 56% for FY 2009 funds

ONR financial management will look at expenditures at the project level to see if these benchmarks are being met. ONR has indicated that if the project expenditure falls short of meeting the required levels, ONR will take the difference from FY 2010 funds. ORS will continue to submit billing on a monthly basis as we have done in the past. However, the invoices are based on the expenditures recorded in the University’s financial system (FMIS). Therefore, the PIs need to ensure that the project is spent in a timely manner and posted to FMIS accordingly.

We encourage that the PIs proactively contact their Program Officer to discuss any anticipated shortfalls.


For more information, contact Joanne Yama, ORS Projects Financial Services Manager at jyama@hawaii.edu or (808) 956-8163.

Recovery Act/ARRA Reporting Requirements

On June 22, 2009, the Office of Management and Budget (OMB) issued Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act (ARRA) of 2009 via Memoranda 09-21, which can be found at:

http://www.whitehouse.gov/omb/memoranda_default/

Specific data elements to be reported and a data dictionary are included in the “Recipient Reporting Data Model” as a supplement to this guidance.

The first reporting deadline for Section 1512 established in the Recovery Act/ARRA is **October 10, 2009**. ORS will be contacting designated Fiscal Officers (FOs) and Principal Investigators (PIs) to obtain information and feedback for the Recovery Act/ARRA reporting process. ORS will also conduct training and pilot reporting by September, in order to prepare for the initial Recovery Act/ARRA filings. Announcements will be forthcoming.

Given the goals of the Recovery Act/ARRA to further job creation and stimulate the economy, the Recovery Act/ARRA awards must be expended in a timely fashion.

For National Science Foundation (NSF) Recovery Act/ARRA awards, if no allowable expenditures have taken place after 12 months, NSF may consider reducing or terminating the award and reallocating the funds.

The Recovery Act/ARRA terms and conditions for other awarding agencies should be reviewed carefully to ensure that expenditures are made in accordance with specified requirements.

*For more information, contact Dawn Kim, ORS Financial Compliance Manager at dawnk@ors.hawaii.edu or (808) 956-0396.*
Research Training and Revolving Funds (RTRF) Sharing in Interdisciplinary Research

When a proposed research activity involves multiple investigators and multiple academic units, it is important to follow UH procedures. These procedures are designed to ensure, in part, that when the proposal is awarded, agreements are in place to facilitate the fair allocation of Research Training and Revolving Funds (RTRF) funds. Signature requirements are intended to provide assurances that investigators and their deans or directors are aware of and support the proposed commitments.

To prevent misunderstandings when an award is received, issues related to percent of effort for investigators and RTRF distribution among academic units should be discussed and agreed to as part of the proposal development process. Since an award budget may vary significantly from a proposal budget, agreements reached during the proposal process may need to be revisited when the award is made.

To address these issues, ORS requires that all proposals involving multiple investigators -- whether they are multiple principal investigators, co-principal investigators or co-investigators -- be accompanied by an ORS Form 5c. A separate Form 5c is required for each unit or department that is contributing the effort of a faculty member to the proposed activity. In the Form 5c, all investigators must be named and their percentage of effort estimated.

If the proposal is funded, an ORS Form 5d (Commitment Agreement) is required to be submitted by each academic unit. The Form 5d requires additional information about the level of involvement by each investigator, including percentage of effort on the project, percentage of the total award, and the associated RTRF allocation, if any. **A Form 5d is required before a project account can be established.**

The ORS Forms 5c and 5d and instructions for completing them can be found on the ORS Website at:

http://www.hawaii.edu/ors/filecabinet_forms.html

*If you have any questions about these forms, contact the ORS Helpline at helpline@ors.hawaii.edu or (808) 956-5198. Thank you for your cooperation with these important requirements.*

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**Do you have a Question or Comment for ORS?**

*Please feel free to contact us at:*

ORS Helpline at helpline@ors.hawaii.edu or (808) 956-5198.
New F&A Rate Agreement for Use in Proposals

UH Facilities and Administrative Cost (F&A) rates for Fiscal Year (FY) 2009 through FY 2012 were recently negotiated with the Health and Human Services (HHS) Division of Cost Allocation. The new rates and the official rate agreement are posted online at:

http://www.hawaii.edu/ors/filecabinet_rates_indirect.html

The rates apply to proposals that will result in federal awards or sub-awards of federal funds provided that these federally negotiated rates are used to budget for indirect costs in proposals. They do not apply if rates imposed by the sponsor are used to prepare proposal budgets (e.g., 8.0% of MTDC training rate).

Proposals submitted to ORS after May 12, 2009 must use the FY 2010 to FY 2012 rates. Earlier use of the rates in proposals is strongly encouraged.

Implications of New F&A Rates on New Awards

New UH F&A rates will affect awards issued to UH on May 12, 2009 or after. This is the date when the new rate agreement between UH and the HHS Division of Cost Allocation (DCA) was fully executed. These rates affect new and competitive renewal awards as well as new subawards that pass federal funds to UH through other institutions. OMB Circular A-21 states that the negotiated rates in effect at the time an award is made should be used by federal agencies to fund and reimburse F&A costs. This means that awards made to UH after May 12, 2009 should apply the new F&A rates. The problem we are facing is that several awards received by ORS since May 12 reflect proposals that applied the prior negotiated F&A rate.

The DCA notifies federal agencies of new negotiated rates, and these agencies should apply the new rates to its awards. However, there is frequently a delay, and a few awards received by ORS since May 12 reflect old rates. We anticipate that, within a few weeks, all awards will be received with the correct rates.

During this transition, it is the responsibility of UH to apply the new F&A rates and modify federal award budgets. The re-budget will require sponsor approval unless the award is made from the agencies that are under the Federal Demonstration Partnership (FDP). Under the Federal Demonstration Partnership (FDP), the institution has expanded authority to re-budget between direct and F&A costs and the sponsor approval is waived.

ORS staff is currently reviewing all new awards to verify that the correct F&A rates are applied. When the old rate is used, the award must be re-budgeted to incorporate the new rates. If this is not done, UH may be exposed to adverse audit findings. For this reason, new project accounts will not be approved by ORS if old rates are used in awards issued after May 12.

ORS staff is in the process of contacting PIs and FOs for their assistance in these re-budgeting efforts. We appreciate your cooperation.

Note: The agencies under FDP are NIH, NSF, ONR, DOE, USDA, AFOSR, ARO, AMRMC, NASA and EPA.

For more information, contact Kevin Hanaoka, ORS Cost Studies & Rate Analysis Manager at hanaokak@hawaii.edu or (808) 956-9242.
Implementation of New Cost Sharing Process Postponed

With concurrence from the research administrators, we had planned to retire the old cost sharing memorandum system on July 1, 2009 and replace it with a new cost sharing process. However, we are postponing the implementation until additional test pilot results are evaluated. Thus, the existing cost sharing system will remain in effect until October 1, 2009. Those fiscal officers (FOs) wishing to revise their fringe benefits to actual costs in anticipation of the new process, may begin to do so with the July 2009 cost sharing report.

We will provide more details on the new process within the next couple months when we receive feedback from the test pilot.

For more information, contact Kevin Hanaoka, ORS Cost Studies & Rate Analysis Manager at hanaokak@hawaii.edu or (808) 956-9242.

Fiscal Year (FY) 2009 A-133 Compliance Audit

Our external auditor, Accuity LLP has commenced with the Fiscal Year (FY) 2009 A-133 Compliance audit. Initial requests will be coordinated through ORS Financial Compliance. We ask for your assistance in responding to these audit requests in a timely manner.

To assist the process more efficiently, ORS Financial Compliance section has a new general email box. Please send emails for ORS Financial Compliance to: compliance@ors.hawaii.edu.

For more information, contact Dawn Kim, ORS Financial Compliance Manager at dawnk@ors.hawaii.edu or (808) 956-0396.

ORS Helpline FAQs

Can Graduate Students be added as a Co-Principal Investigator (PI) on proposals?

Unless otherwise stated in the solicitation, graduate students are not usually listed as Co-Principal Investigators (PIs). Only Board of Regents appointees are listed as PI or Co-PI on proposals. Graduate students are usually included under “Other Personnel.”

I want to submit a proposal and it requires a user account with an electronic research administration system, what do I need to do?

Simply contact the ORS Helpline to request for a user account since the University of Hawai‘i (UH) is registered with most electronic research administration systems. If it’s a system that UH is not registered with, the ORS Helpline will do what’s necessary to register the university. Please contact us at: helpline@ors.hawaii.edu or (808) 956-5198.

Are there any templates I can use to create my budget, SF-424 etc.?

Since each project is unique, we do not have any templates that would be applicable to all proposals. Most of the information required to fill-out the SF-424 and other general forms can be found at our website, under Apply/Proposal Development/Institutional Profile.