This month’s newsletter provides information on purchasing computing devices with federal funds, the draft of the National Science Foundation (NSF) proposal & award policies & procedures guide, and the myGRANT percentage credit split for multi-unit umbrella grants.

We also have articles regarding fiscal year end and the upcoming new fiscal year. Please see the articles below for more information on fiscal year 2016 terminal vacation leave compensation, cost share entries, tiered indirect cost (IDC) rates changing, grants-in-aid object code consolidation impacts on extramural project accounts, and 2015 fiscal year-end deadlines for submission of Kuali Financial System (KFS) eDocs.

Thank you to the principal investigators (PIs) and the dean/directors who have reviewed and provided feedback on ORS’ multiple PIs Research Training and Revolving Funds (RTRF) allocation reports. We have incorporated the necessary corrections as requested. In addition, based on the feedback, upper administration has decided to allocate multiple-unit umbrella grants based on the actual IDC generated on the key personnel's KFS accounts for the awards starting fiscal year 2015. Please see details in the article below.

Mahalo,

Yaa-Yin Fong
Director
**Purchasing Computing Devices with Federal Funds (For awards made on or after December 26, 2014 Which Are subject to the Uniform Guidance)**

With implementation of the Office of Management and Budget Uniform Guidance (2 CFR 200) (UG), “computing devices” are now allowable as direct costs on federal awards if they meet certain conditions. Prior to the release of the UG, computing devices were considered general purpose equipment that were unallowable as a direct cost on federal awards. That is no longer the case with awards subject to the UG.

Computing devices are defined in the UG at 2 CFR 200.20 as “machines used to acquire, store, analyze, process, and publish data and other information electronically and include accessories (or peripherals) for printing, transmitting and receiving, or storing electronic information.” Examples of computing devices include desktop computers, laptop computers, iPads, tablets, and printers. A computing device is considered a “supply” if the acquisition cost is less than $5,000, regardless of the length of its useful life.

If a computing device is to be acquired for use in the performance of a federal award, it may be charged to the federal award provided that:

- It is essential (i.e., necessary) to performing the work under the award, and
- The cost is allocable and reasonable.

Determining whether a computing device is essential – The principal investigator (PI) should document that the device is necessary for the performance of the project and the project will be negatively impacted by not purchasing the computer or device.

Determining whether a computing device is allocable to a federal award – If a computing device is essential to a federal award, it is allocable to that award. The total cost may be allocated to the benefiting federal award (even when its usage is not solely dedicated to the award) or a PI may allocate a portion of the cost of the device to the award.

Determining whether the cost of a computing device is reasonable – The PI must make an informed, prudent decision taking into considering not only the cost, but the utility, quality and value of the device to the project. If a computing device is not essential to a federal award, it is not allocable (in whole or in part) as a direct cost to that award. In such cases, the computing device is considered to be a “general use” item and must be treated as an indirect cost expense (just like paper, pens and other general use supplies) and charged to an appropriate institutional funding source.

The device should be identified in the proposal budget and justified as to why it is essential and allocable to the performance of the award. Inclusion in the budget and budget justification is intended to enable the sponsor to review and concur with the need for the computing device. Written justification and/or approval is meant to prevent questions regarding the allowability of costs in event of an audit.

Please remember that all expenses charged to federal awards must conform with the cost principles specified in the UG. Should have any questions about whether you may charge a specific expense to federal funds, please contact your assigned ORS Specialist ([http://www.ors.hawaii.edu/index.php/ors-assignments](http://www.ors.hawaii.edu/index.php/ors-assignments)).
Draft of the National Science Foundation (NSF) Proposal & Award Policies & Procedures Guide

The National Science Foundation (NSF) published a notice in the Federal Register announcing the availability of a “for comment” draft of the Proposal & Award Policies & Procedures Guide (PAPPG). NSF is accepting comments from the external community until July 20, 2015.

To facilitate review, revised text has been highlighted in yellow throughout the document and explanatory comments have been included in the margins, where appropriate.

The following are links to the draft PAPPG and associated Federal Register Notice:

- Draft PAPPG; and

Any questions should be directed to the DIAS/Policy Office at policy@nsf.gov.

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**myGRANT Percentage Credit Split — Multi-unit Umbrella Grants**

The indirect cost allocation reports prepared by ORS are based on the key personnel credit split recorded in the last applicable myGRANT award record (the most recent version using the same Kuali Financial System (KFS) award ID). As previously reported in the May 2015 ORS Newsletter, the credit split information is available for review in online web reports on the ORS website. We have updated all corrections for fiscal year 2015 information that were submitted to ORS by June 15, 2015. Thank you everyone for providing feedback.

Upon review of the credit split records, it was determined that a different method to allocate the indirect costs on multi-unit umbrella grants (i.e., SeaGrant, INBRE, EPSCoR) may be necessary. Multi-unit umbrella grants are awards that cross different units or campuses and for which the credit split cannot be determined at the time of proposal or is subject to change throughout the award period.

In order to simplify and honor the proper allocation across campuses or units for these multi-unit umbrella grants, University of Hawaii (UH) upper administration has decided that the allocation for these awards will be based on the actual indirect costs recorded to the key personnel accounts under the award. This allocation process will be implemented for the fiscal year 2015 allocation. This exception allocation will only apply to multi-unit umbrella grants. For all other awards, the allocation will be based on the percentage split recorded on the myGRANT record.

Should you have any questions, please contact Joanne Yama, Associate Director of Cost Studies, at jyama@hawaii.edu or (808) 956-9242.
Fiscal Year 2016 Terminal Vacation Leave Compensation

Beginning in fiscal year 2016, any terminal vacation compensation for University of Hawaii employees related to extramural accounts must be charged against institutional funds and cannot be charged to a project account. Therefore, when submitting the Form G-2, Application for Payment in Lieu of Vacation, please type the departmental account to charge the terminal vacation leave compensation in section B of the form. Please highlight the account number and/or attach a special handling note for the payroll department to process accordingly. If no account is noted, the terminal vacation leave will be posted in accordance with the accounts on the employee’s last PNF on file. If the account is an extramural project accounts, a Salary Transfer (ST) entry will be required to properly reclassify any amounts out of the project accounts.

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

Fiscal Year-end Reminders for Cost Share Entries

The last day to submit DI eDocs to record cost sharing in Kuali Financial System (KFS) for fiscal year (FY) 2015 is Tuesday, June 23, 2015. ORS requests that all accounts with committed cost sharing be reviewed and any necessary cost sharing eDocs be submitted as soon as possible. As a reminder, please note the following:

- Do not include cost sharing for periods beyond June 30, 2015
- Cost sharing for direct costs is based on expenses recorded to the KFS source account during the fiscal year and should be recorded in the applicable fiscal year
- Cost sharing for UH personnel salaries and fringe should reflect the payroll dates through June 30, 2015; therefore, estimates should be included for the June 15, 2015 and June 30, 2015 pay periods, if necessary
- Annual certification of cost sharing effort for FY 2015 is required and will be due by September 30, 2015 (further information regarding the certification process will be forthcoming)
- Only adjustments submitted to reconcile the cost sharing recorded in KFS with the annual cost sharing effort certification will be allowed

Should you have any questions, please contact Joanne Yama, Associate Director of Cost Studies, at jyama@hawaii.edu or (808) 956-9242.
As a reminder, certain indirect cost (IDC) Rate IDs that were created to provide an automated means to update the IDC rates on accounts will be updated to the new IDC rates effective July 1, 2015. These new IDC Rate IDs were created to handle accounts/awards that are subject to changing IDC rates (see http://www.ors.hawaii.edu/files/Rate_Agreement_040313.pdf). ORS refers to IDC Rate IDs that are planned to change with the change in fiscal year as “tiered” rates. These rates can be easily identified because any Kuali Financial System (KFS) IDC Rate ID with a leading “9” is a tiered rate.

The following table summarizes the IDC Rate IDs that are changing:

<table>
<thead>
<tr>
<th>KFS Rate ID</th>
<th>FY 2015</th>
<th>New Rate (eff. July 1 – June 30, 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>903</td>
<td>41%</td>
<td>41.5%</td>
</tr>
<tr>
<td>904</td>
<td>52%</td>
<td>53%</td>
</tr>
<tr>
<td>905</td>
<td>52%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Note that IDC Rate ID 904 will remain at 53% after FY 2016 and that IDC Rate ID 905 will change in FY 2017 to 54%. The other tiered KFS ID Rate IDs will remain at their current (FY2015) rates: 901 at 41% and 902 at 52%. Accounts linked to these Rate IDs should have expiration dates in FY 2015 or have a NCE or non-competitive continuation of the award continuing past June 30, 2015. Additional information regarding changing IDC rates can be found on the ORS websites IDC FAQ page: http://www.ors.hawaii.edu/files/Indirect_Cost_and_Rates_FAQ.pdf

If you have any questions about these changes please contact Bob Roberts, Projects Fiscal Accounting Manager, at rroberts@hawaii.edu or (808) 956-6959.

Effective with the start of fiscal year (FY) 2016 (July 1, 2015) the Financial Management Office (FMO) is consolidating twenty-five (25) Grants-In Aid (GIA) object codes into six (6) GIA object codes. The nineteen unconsolidated GIA object codes will be inactivated in Kuali Financial System (KFS) and therefore cannot be used after FY 2015. General Accounting and Loan Collection Office (GALC) has made a decision that non-extramural account beginning balances do not need to be moved to the new object codes.

However, because inception-to-date (ITD) information is essential for extramural accounts, in order to avoid losing ITD balances after FY 2016, ORS will move the beginning balances for extramural accounts in object codes being inactivated to the revised GIA object codes at the close of FY 2015. Beginning balances in inactivated accounts will be transferred to revised GIA object codes according to the following table:

(Continued on next page)
### Grants-in-Aid Object Code Consolidation Impacts on Extramural Project Accounts

(continued)

<table>
<thead>
<tr>
<th>Current Object Codes (FY2015)</th>
<th>Revised Object Codes (FY2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6500-G-IN-AID, SCHOLARSHIP</td>
<td>6500 G-IN-AID, SCHOLARSHIP/FELSHIP</td>
</tr>
<tr>
<td>6503-G-IN-AID, SCHOLARSHIP</td>
<td>6503 G-IN-AID, SCHOLARSHIP/FELSHIP (R)</td>
</tr>
<tr>
<td>6510-G-IN-AID, TUITION (NR)</td>
<td>6510 G-IN-AID, TUITION</td>
</tr>
<tr>
<td>6511-G-IN-AID, TUITION (R)</td>
<td>merge with 6510</td>
</tr>
<tr>
<td>6513-G-IN-AID, TUITION (F,R)</td>
<td>merge with 6510</td>
</tr>
<tr>
<td>6514-G-IN-AID, TUITION (LOAN REPAYMENT)</td>
<td>6514 G-IN-AID, TUITION (LOAN REPAYMENT)</td>
</tr>
<tr>
<td>6520-G-IN-AID, FELLOWSHIPS</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6521-G-IN-AID, FELLOWSHIPS (R)</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6523-G-IN-AID, FELLOWSHIPS</td>
<td>merge with 6503</td>
</tr>
<tr>
<td>6530-G-IN-AID, STIPENDS (NR)</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6531-G-IN-AID, STIPENDS (R)</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6533-G-IN-AID, STIPENDS (F,R)</td>
<td>merge with 6503</td>
</tr>
<tr>
<td>6540-G-IN-AID, TRAVEL (NR)</td>
<td>6540 G-IN-AID, TRAVEL</td>
</tr>
<tr>
<td>6541-G-IN-AID, TRAVEL (R)</td>
<td>merge with 6540</td>
</tr>
<tr>
<td>6543-G-IN-AID, TRAVEL (F,R)</td>
<td>6543 G-IN-AID, TRAVEL (R)</td>
</tr>
<tr>
<td>6550-G-IN-AID, PER DIEM (NR)</td>
<td>merge with 6540</td>
</tr>
<tr>
<td>6551-G-IN-AID, PER DIEM (R)</td>
<td>merge with 6540</td>
</tr>
<tr>
<td>6553-G-IN-AID, PER DIEM (F,R)</td>
<td>merge with 6543</td>
</tr>
<tr>
<td>6561-G-IN-AID, TRNEE-BD/LODG</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6570-G-IN-AID, TRNEE-BOOKS/</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6573-G-IN-AID, TRNEE-BOOKS/</td>
<td>merge with 6503</td>
</tr>
<tr>
<td>6581-G-IN-AID, TRNEE-DEPEND</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6582-G-IN-AID, TRNEE-DEPEND</td>
<td>merge with 6500</td>
</tr>
<tr>
<td>6583-G-IN-AID, TRNEE-DEPEND</td>
<td>merge with 6503</td>
</tr>
<tr>
<td>6593-G-IN-AID, SCHOLARSHIP</td>
<td>merge with 6503</td>
</tr>
</tbody>
</table>

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Grants-in-Aid Object Code Consolidation Impacts on Extramural Project Accounts (continued)

ORS Projects Fiscal Accounting will transfer the beginning balances on all extramural accounts in KFS included closed accounts. ORS’ current estimate on the number of accounts impacted is 1,140 accounts including closed accounts. Approximately 560 of these accounts are in “C” or “F” status leaving approximately 580 open accounts. Closed accounts can be staged now, although the balances will not actually be moved until KFS access is restricted for the balance roll forward process (currently July 2 through July 6, 2015).

ORS has identified a problem area with this consolidation plan: This problem occurs when the GIA object code being inactivated is linked to an IDC Base (ICR Type Code) that is not subject to IDC and the revised (surviving) GIA object code is subject to IDC in that same IDC Base. Or, when the inactivated object code is subject to IDC, but the surviving GIA object code is not subject to IDC in that same IDC Base (example IDC Base 30).

The good news regarding this problem is that it only occurs for the following IDC Bases which are infrequently used: 11,14,15,16 and 30. Even better news, only IDC bases 11, 16 and 30 have any transactions posted to GIA object codes (as of May 26, 2015). As a result, only a handful of accounts have IDC base conflicts resulting from the consolidation. ORS’ plan for these accounts is to create a new account with a different IDC base that eliminates the conflict for GIA transactions. Per ORS’ count there are only nine open accounts in FY 2015, all in IDC Base 30, that have this problem and three of those accounts also close in FY 2015. There is also one account in IDC base 11 which is closed and should not be affected. ORS will notify the fiscal administrators on the accounts that are impacted by this problem and assist in creating new accounts to resolve it going into FY 2016.

ORS will continue to test the impacts of this consolidation through the fiscal year end process to be sure that there are no additional problems with the GIA object code consolidation on extramural accounts.

If you have any questions regarding this process please contact Bob Roberts, Projects Fiscal Accounting Manager, at rroberts@hawaii.edu or (808) 956-6959.

2015 Fiscal Year-end Deadlines for Submission of Kuali Financial Sytem (KFS) eDocs

The due date for submission of fiscal year-end Kuali Financial System (KFS) eDocs is aligned with the Year-End Closing Schedule presented by the University of Hawaii Financial Management Office (FMO). In line with these due dates, ORS would like to provide additional information and reminders on ORS-specific KFS eDocs for fiscal year-end.

(Continued on next page)
### 2015 Fiscal Year-end Deadlines for Submission of Kuali Financial System (KFS) eDocs (continued)

<table>
<thead>
<tr>
<th>FMO Schedule Section</th>
<th>FMO Due Date</th>
<th>ORS Specific Information and Reminders</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCUREMENT – Non-General Fund purchase requisitions (PREQs)</td>
<td>6/05/2015</td>
<td>KFS will not allow PREQ eDoc approval past termination date of account; PREQs for accounts terminating 6/30/2015 must be submitted by 6/05/2015</td>
</tr>
<tr>
<td>PAYMENTS - DVs (non-equipment/non G Funds)</td>
<td>6/19/2015</td>
<td>Includes DV for Vacation Credit Transfer to State Agency (2071)</td>
</tr>
<tr>
<td>ENCUMBRANCE &amp; BUDGET ADJUSTMENTS</td>
<td>6/24/2015</td>
<td>Includes all budget SSBA and BA eDocs for project accounts</td>
</tr>
</tbody>
</table>
| OTHER – Adjustments & Allocations (DIs, GECs, STs and TFs – non-equipment) | 6/23/2015 | Includes the following:  
  - Clearing Account (Continuation Account) adjustments  
  - Project account deficit adjustments  
  DI for cost sharing entries for FY 2015 (note: include estimates, if necessary, for UH salaries and fringe for 6/15/2015 and 6/30/2015 periods) - See newsletter article, "Reminders for Cost Share Entries in the Kuali Financial System" for further information  
  - DI for Vacation Payout Transfers (2073) pre 7/15/2012  
  - DI for Vacation Credit Transfers (within UH – 2073)  
  - ST for Vacation Payout Transfers (2030) |
| OTHER – Account Maintenance eDocs | 6/24/2015 | All new account requests and account edits for project accounts |
| ACCRUALS & OTHER 13TH MONTH Adjustments | 7/17/2015 | All payment requests to UH Disbursing and RCUH for FY 2015 must be submitted by 7/17/2015 (Accrual worksheets due 7/17/2015) |

(Continued on next page)
2015 Fiscal Year-end Deadlines for Submission of Kuali Financial System (KFS) eDocs (continued)

KFS eDocs submitted after the due dates noted above may not be processed for fiscal year (FY) 2015. Any FY 2015 eDocs in “enroute” status on July 1, 2015 will be auto-disapproved and will need to be resubmitted in FY 2016.

ORS appreciates your assistance with ensuring a successful year-end close. In order to avoid the last minute rush at fiscal year-end, please plan to submit KFS eDocs as soon as possible and no later than the established due dates. Below are the ORS contacts should you have questions:

**Account and Budget eDocs**

Robert Roberts, Projects Fiscal Accounting Manager, at rroberts@hawaii.edu or (808) 956-6959.

**Clearing Account, Deficit Adjustments and Year-End Account Payable Accruals**

Dawn Kim, Compliance Manager, at dawnkim@hawaii.edu or (808) 956-0396.

**Vacation Transfers/Payouts**

Joanne Yama, Associate Director of Cost Studies, at jyama@hawaii.edu or (808) 956-9242.

**Cost Sharing eDocs**

Bob Roberts, Accounting Projects Financial Services Manager, at rroberts@hawaii.edu or (808) 956-6959.

ORS Helpline Frequently Asked Questions

**In a myGRANT budget, what does “F&A Cost” mean?**

The F&A Cost or Facilities and Administrative Cost, is synonymous with “indirect” cost or “overhead” cost. F&A costs are the expenses incurred by the University of Hawaii to develop and maintain the facilities and administrative infrastructure necessary to support extramurally funded research and non-research activities. The F&A costs can be calculated by dividing the total sponsor cost by 1.X% (where X=F&A rate percentage), then subtracting the result from the total sponsor cost.

For more information, and to find your applicable F&A rate, please see the ORS website:


(Continued on next page)
ORS Helpline Frequently Asked Questions (continued)

I received an email with the subject “Proposal action (APPROVE) for…”. What do I need to do?

In the email, click on the link under “To respond to this eDoc:” or copy it into the address bar in your web browser.

This link should take you directly into the myGRANT Proposal Development document. If you are not logged in, you may need to click on the link again after logging in.

Once you are in the Proposal Development document, you will be taken directly to the “Proposal Summary” tab. This single tab contains a summary of the entire proposal, including the budget, questions, attachments and key personnel information.

At the bottom of the “Proposal Summary” tab there should be two buttons:

- Clicking “approve” will approve the Proposal Development document and the document will continue on to the next individual in the workflow.

- Clicking “return for changes” will return the Proposal Development document to the initiator of the document so that revisions can be made. The Proposal Development document will then need to be re-approved by all individuals in the workflow when it is resubmitted after revisions have been made.

Open your proposal in myGRANT and go to the “Proposal Actions” tab. You can check the status of workflow approvals in the “Route Log” section. There should be three sections, “Actions Taken,” “Pending Action Requests,” and “Future Action Requests.”

(Continued on next page)
ORS Helpline Frequently Asked Questions (continued)

**Actions Taken:** All actions that have been completed for the Proposal Development document. This section will usually list the initiator as saving and completing the Proposal Development document, and any subsequent approvals.

**Pending Action Requests:** This section will list the approvals that are currently awaiting completion. The current pending action requests must be completed before the Proposal Development document can move forward in the approval process. If you see “Central ORS” as the pending approval, the Proposal Development document has reached the ORS office for review.

**Future Action Requests:** This section will list the approvals that will need to be completed once the current pending actions are completed. The approvals in this section are listed in the order that they need to be completed.

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

*Please feel free to contact us at the ORS Helpline:*

*Email: helpline@ors.hawaii.edu or Phone: (808) 956-5198*