Changes to Fiscal Year 2016 National Science Foundation (NSF) Higher Education Research and Development (HERD) Survey

We have been recently informed by the National Science Foundation (NSF) of revisions to the fields of research and development (R&D) that will be used for reporting in the fiscal year 2016 NSF Higher Education Research and Development (HERD) Survey that will be launched by NSF in November 2016.

The changes include the following:

- Name of certain fields of R&D have been revised to better reflect the disciplines included in those fields (i.e., Environmental Sciences have been renamed as Geosciences)
- Some disciplines have been reclassified under different fields (i.e., Architecture has been moved out of the Civil Engineering field to the Other Non-Sciences & Engineering field)
- New disciplines have been added as examples under many fields
- Four new R&D fields have been added:
  - Engineering - Industrial and Manufacturing Engineering
  - Life Sciences - Natural Resources and Conservation
  - Physical Sciences – Materials Science
  - Social Sciences – Anthropology


The NSF field of R&D is identified in the Kuali Financial System (KFS) by the NSF Survey Code account attribute. Generally, all accounts with a Higher Education Function Code of B100 (Organized and Sponsored Research) and B101 (Departmental Research) should have an assigned NSF Survey Code. The NSF Survey code is generally assigned at the time of account establishment based on the organizational department for the account. Investigators or others with scientific or technical knowledge of the field of R&D for the account are free to make changes to the survey code once the account is established.

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The ORS Projects Fiscal Accounting section will be entering revised NSF survey codes in KFS, if applicable, for existing accounts for the NSF changes implemented. Should you have any questions or suggested revisions to the NSF Survey Codes entered, please contact the assigned Projects Fiscal Accounting staff for the account.

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

In accordance with the Office of Management and Budget’s (OMB) 2 CFR §200.303 (aka Uniform Guidance), the University of Hawaii (UH) is required to:

- Establish and maintain effective internal controls over extramural awards that it receives in order to provide reasonable assurance that UH is managing the award in compliance with laws, regulations, and the terms and conditions of the award
- Comply with such laws, regulations, and terms and conditions of the award
- Evaluate and monitor compliance with such laws, regulations, and terms and conditions of the award
- Take prompt action when instances of noncompliance are identified, including audit findings
- Take reasonable measures to safeguard protected personally identifiable information and other sensitive / confidential information

The university’s Extramural Sponsored Programs Internal Control Plan is available at http://www.ors.hawaii.edu/index.php/omb-ug-information. To confirm our understanding of internal controls over extramural awards, self-assessment surveys will be sent out to central offices that have responsibility for extramural activities. In addition, as part of our monitoring activities, ORS will perform a risk assessment of awards and send separate internal control questionnaires to selected principal investigators/program directors and the research administrators/fiscal administrators to determine the adequacy and effectiveness of internal controls over extramural awards.

Should you have any questions, please contact Dawn Kim, Compliance Manager, at dawnkim@hawaii.edu, or (808) 956-0396.
New Subaward Process Effective
July 1, 2016

The ORS Faculty Advisory Council (FAC) formed a subaward working group this year to review and improve the current University of Hawaii (UH) subaward process. In an effort to minimize the turnaround time required to initiate a subaward, reduce administrative burden to the principal investigators (PIs), and improve internal controls necessary to comply with governmental regulations and sponsor requirements, the subaward working group recommended that ORS take over preparation of subawards (instead of the PIs and fiscal administrators (FAs) as had been done in the past).

Based on this recommendation, effective July 1, 2016, ORS will streamline the subaward process, make the process more transparent for PIs and FAs, and also strengthen compliance with federal Office of Management and Budget (OMB) Uniform Guidance (UG) (2 CFR 200) and state requirements for subaward monitoring and management. The most significant effect will be the reduction of administrative burden for PIs.

In order for ORS to generate the subaward agreement and obtain a subrecipient’s commitment, we are asking PIs to continue to identify potential subawards at the proposal stage and also provide essential subaward information at the time of their award. Key process changes are bulleted below and a detailed process flowchart may be found on the ORS website at: http://www.ors.hawaii.edu/index.php/start-up-a-manage/project-account-set-up/subaward-process.

Key Process Changes – Proposal Stage:

- When submitting a proposal to a sponsor, PIs must confirm that the entities involved in any proposed subawards meet the criteria for subrecipients defined in the OMB UG (2 CFR Part 200.330). A question will appear in the myGRANT proposal development record asking for this confirmation. Details for the criteria will be provided via a link in the myGRANT proposal development record for easy reference.
- A Letter of Intent signed by each subrecipient’s authorized institutional representative will be required for all proposed subawards. This Letter of Intent is important to ensure that the subrecipient, as an entity, is committed to carrying out the project and complying with certain federal regulations. The Letter of Intent must be attached as an "Internal Attachment" to the myGRANT proposal record. Effective July 1, 2016, a Letter of Intent template may be found on the ORS website at: http://www.ors.hawaii.edu/files/Letter_of_Intent_Template_eff_20160701.pdf.

Key Process Changes – Award Stage:

- If a proposal included one or more subrecipients, the PI and their designated FA will receive a link to the UH PI Subaward Startup Checklist from ORS with their award notice for the UH prime award. This checklist will instruct PIs on how to submit certain documents that are needed in order for ORS to generate the subaward, obtain necessary documents from and negotiate terms with the subrecipient, and get the subaward signed. It is very important that PIs (or project staff, as applicable) initiate this process as soon as possible so that subawards may be executed in a timely fashion. Effective July 1, 2016, the Subaward Startup Checklist may be found on the ORS website at: http://www.ors.hawaii.edu/files/Subaward_Startup_Checklist_eff_20160701.pdf.

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Key Process Changes – Award Stage:

- ORS will request the relevant commitment forms and required State of Hawaii Department of Taxation tax clearance certificates from subrecipients.
- ORS will generate subaward agreements and amendments. Prior to having subaward/amendments signed, PIs (with a copy to FAs) will receive an email from their assigned ORS Specialist asking them to review the draft subaward agreement or amendment and notify ORS of any required changes, or reply with their approval of the same. If the PI does not reply with approval within five (5) business days of the email transmittal date, the subaward/amendment will be deemed approved by the PI and will be transmitted to the subrecipient for further review, negotiation (if necessary), and subsequent execution. ORS will send notice to the PI of such transmittal to the subrecipient. If the subrecipient requests any substantive programmatic changes, ORS will consult with the PI for approval of these changes.
- ORS will request the subrecipient’s signature on the subaward agreement.
- ORS will send a copy of the fully executed subaward agreement to the PI, FA and subrecipient.
- After PIs and FAs receive their fully executed subaward agreement, an RCUH Purchase Order (PO) may be finalized. RCUH will now require the FA/requisitioner to enter a UH subaward number in their PO. The UH subaward number may be found on the first page of each subaward agreement.

Key Process Changes – Post-Award Stage:

- The PI and FA will receive a reminder to close out the subaward, or complete a Subaward Amendment Request form when nearing the expiration of a subaward period of performance, and upon certain amendments to the UH prime award. Effective as of July 1, 2016, a copy of the form may be found on the ORS website at: http://www.ors.hawaii.edu/files/Subaward_Amendment_Request_Form_eff_20160701.pdf. This form will notify ORS to generate a subaward amendment to, for example, extend the subaward period of performance, increase funding, decrease funding, or modify the scope of work or budget.

In addition to the above, also new will be the creation of a Subaward Status Log. PIs, FAs and other project staff will be able to check on the status of subawards online through a link on the ORS website. The link will be included in the ORS announcement regarding implantation of the new procedure on July 1, 2016.

If you have any questions regarding the above, please contact your assigned ORS Specialist (see http://www.ors.hawaii.edu/index.php/ors-assignments).
The due dates for submission of fiscal year-end Kuali Financial System (KFS) eDocs are aligned with the Year-End Closing Schedule. In line with these due dates, ORS is providing the following additional information and reminders on ORS-specific KFS eDocs for fiscal year-end.

<table>
<thead>
<tr>
<th>ORS Specific Reminders</th>
<th>Year-End Closing Calendar Reference</th>
<th>Due Date</th>
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</thead>
<tbody>
<tr>
<td>KFS will not allow PREQ eDoc approval past termination date of account; PREQs for accounts terminating 6/30/2016 must be submitted by 6/06/2016. FAs must approve PREQ edoc to final by 6/13/2016.</td>
<td>PROCUREMENT – -Non-General Fund purchase requisitions (PREQs) -Submitted to Disbursing FAs to approve in KFS</td>
<td>6/06/2016, 6/13/2016</td>
</tr>
<tr>
<td>Extramural project accounts that are closing should have all transactions in 7232 reclassed to proper expenditure object codes.</td>
<td>Reclass RCUH Advances (7232) thru June</td>
<td>6/23/2016</td>
</tr>
<tr>
<td>Includes DV for Vacation Credit Transfer to State Agency (2071)</td>
<td>PAYMENTS - DVs (non-equipment/ non G Funds)</td>
<td>6/17/2016</td>
</tr>
<tr>
<td>Extramural account budget SSBA and BA eDocs</td>
<td>ENCUMBRANCE &amp; BUDGET ADJUSTMENTS</td>
<td>6/24/2016</td>
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<tr>
<td>Includes the following:</td>
<td></td>
<td></td>
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<td>• Clearing Account (Continuation Account) adjustments</td>
<td></td>
<td></td>
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<tr>
<td>• Project account deficit adjustments</td>
<td></td>
<td></td>
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<tr>
<td>DI for Cost sharing entries for FY 2016 (Note: Include estimates, if necessary, for UH salaries and fringe for 6/15/2016 and 6/30/2016 periods) – see April ORS newsletter article - &quot;Reminders for Cost Share Entries in the Kuali Financial System&quot; for further information</td>
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<tr>
<td>• DI for Vacation Payout Transfers (2073) pre 7/15/2012</td>
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<tr>
<td>• DI for Vacation Credit Transfers (within UH – 2073)</td>
<td></td>
<td></td>
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<tr>
<td>• ST for Vacation Payout Transfers (2030)</td>
<td></td>
<td></td>
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<tr>
<td>OTHER – Adjustments &amp; Allocations (DIs, GECs, STs and TFs – non-equipment)</td>
<td></td>
<td>6/27/2016</td>
</tr>
</tbody>
</table>
KFS eDocs submitted after the due dates noted above may not be processed for fiscal year (FY) 2016. Any FY 2016 eDocs in “enroute” status on July 1, 2016 will be auto-disapproved and will need to be resubmitted in FY 2017.

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 and Year-End Account Payable Accruals**

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

**Clearing Account and Deficit Adjustments**

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

**Cost Sharing eDocs**

Suzanne Efhan, Projects Financial Services Manager, at efhans@hawaii.edu or (808) 956-8163.

<table>
<thead>
<tr>
<th>ORS Specific Reminders</th>
<th>Year-End Closing Calendar Reference</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>All new account requests and account edits for project accounts</td>
<td>OTHER – Account Maintenance eDocs</td>
<td>6/24/2016</td>
</tr>
<tr>
<td>All payment requests to UH Disbursing and RCUH for FY 2016 must be submitted by 6/6/2016 (Accrual worksheets due 7/15/2016)</td>
<td>ACCRUALS &amp; OTHER 13TH MONTH Adjustments</td>
<td>6/6/2016</td>
</tr>
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</table>
The May 2016 ORS Newsletter included fiscal year end reminders related to the fiscal year (FY) 2016 Facilities and Administrative (F&A) cost proposal. Included was a reminder to ensure that any department paid operations and maintenance costs are recorded in Kuali Financial System (KFS). Ideally, costs that have been incurred for FY 2016 are paid and recorded in KFS by fiscal year-end.

General Accounting and Loan Collection (GALC) will be recording accounts payable adjustments related to expenses incurred for the fiscal year but that are paid and recorded in KFS after June 30, 2016. FY 2016 payments that are processed through August 5, 2016 on KFS will be included in the financial statement accounts payable adjustment recorded by GALC. GALC is also requesting a year-end JV worksheet for accounts payable over $100,000 not paid by August 5, 2016.

Should you have any questions or unusual circumstances regarding the above, 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 were created to provide an automated means to update the IDC rates on accounts. These rates will be changed to the new IDC rates effective July 1, 2016. ORS refers to IDC Rate IDs that will change with the change in fiscal year as “tiered” rates. These rates can be easily identified because any Kuali Financial System IDC Rate ID with a leading “9” is a tiered rate.

The following table summarizes the tiered IDC Rate IDs:

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<td>41.5%</td>
<td>41.5%</td>
<td>41.5%</td>
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<tr>
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<tr>
<td>909</td>
<td>13%</td>
<td>16%</td>
<td>19%</td>
<td>22%</td>
<td>25%</td>
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</tbody>
</table>

Note that IDC Rate IDs 903 and 904 remain unchanged from their FY 2016 rates. Accounts linked to these Rate IDs should have expiration dates in FY 2016 or have a NCE or non-competitive continuation of the award continuing past June 30, 2016.
Tiered Indirect Cost (IDC) Rates Changing on July 1, 2016 (Continued)

IDC Rate IDs 906, 907, 908, and 909 were created to handle the IDC rates mentioned in the June 23, 2015 Memorandum from the Vice President for Research and Innovation regarding F&A Rate on Federal Funds on Pass Through Awards From State of Hawaii and Local City and County Government Sponsors. Note that awards that are subject to these rates are IDC waivers of the negotiated IDC rates for federal flow-through awards from State of Hawaii or local city/county governments.

Additional information regarding IDC rates can be found on the ORS website’s 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 call (808) 956-6959.

ORS Helpline Frequently Asked Questions

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

The Facilities and Administrative (F&A) Cost, is synonymous with indirect cost or overhead cost. F&A costs are the expenses incurred by the University of Hawaii (UH) 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:


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.

(Continued on next page)
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 “Summary/Submit” 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 “Summary/Submit” tab there should be two buttons:

- **Approve**

And

- **Return for Changes**

Clicking “approve” will approve the proposal and the proposal will continue on to the next individual in the workflow.

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

**For eRA Commons reports, are there restrictions on the files that are uploaded?**

Only PDF files may be uploaded, and the maximum size per PDF is 6 MB. The only location in eRA Commons where the user may upload multiple PDFs in response to one question is G.1. Special Notice of Award and Funding Opportunity Announcement Reporting Requirements.

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**Do you have any questions or comments for ORS?**

Please contact us at the ORS Helpline:

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