Certain Tiered Indirect Cost (IDC) Rates Changing on July 1, 2017

As a reminder, certain indirect cost (IDC) rate IDs were created to provide a straightforward means to update the IDC rates on accounts. These rates will be changed to the new IDC rates effective July 1, 2017. 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 KFS IDC Rate ID with a leading “9” is a tiered rate. Note: Because fiscal year (FY) 2017 was the final year of the current Negotiated Indirect Cost Rate Agreement (NICRA) IDC rates IDs effective in FY 2017 under this agreement remain unchanged in FY2018. Additional tiered IDC rate IDs will be necessary after the new rate agreement is approved. Therefore, the only tiered IDC rates changing in FY 2018 are those rate IDs that were established pursuant to the June 23, 2015 Memorandum from the VPRI regarding F&A Rate on Federal Funds on Pass Through Awards From State of Hawaii and Local City and County Government Sponsors.

The following table summarizes the tiered IDC Rate IDs:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>903</td>
<td>41.5%</td>
<td>41.5%</td>
<td>41.5%</td>
<td>41.5%</td>
</tr>
<tr>
<td>904</td>
<td>53%</td>
<td>53%</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>905</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>906</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>907</td>
<td>16%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>908</td>
<td>16%</td>
<td>19%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>909</td>
<td>16%</td>
<td>19%</td>
<td>22%</td>
<td>25%</td>
</tr>
</tbody>
</table>

(Continued on next page)
 Certain Tiered Indirect Cost (IDC) Rates Changing on July 1, 2017 (continued)

Note that IDC Rate IDs 903, 904, 905 (Federal Tiered Rates) and 906 remain unchanged from their FY2017 rates. Accounts linked to these Rate IDs should have expiration dates in FY 2017 or have a no-cost extension or non-competitive continuation of the award continuing past June 30, 2017. IDC Rate IDs 906, 907, 908, and 909 were created to handle the IDC rates mentioned in the June 23, 2015 Memorandum from the VPRI 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 (808) 956-6959.

Fringe Benefit Rates


The fringe rates for FICA, Medicare, pension accumulation, pension administration, other post-employment benefits, retiree health and State health fund estimates for UH employees are provided by the State of Hawaii, Department of Budget and Finance. The FY 2018 rates are based on the FY 2016 rates (the latest approved rates available), except for the pension accumulation rate. The pension accumulation rate is based on the Under Act 17, SLH 2017, which increases the rate beginning in FY 2018 through FY 2021. For more information, please refer to the OHR Website at https://www.hawaii.edu/ohr/hr/hr-announcements/ersemployercontributionrates.

ORS negotiates the university’s fringe rates for workers compensation, unemployment and terminal vacation payout directly with the Department of Health and Human Services. The approved rates for FY 2018 have been received and are reflected in the ORS website.

Please refer to RCUH HR Policy No. 3.510 for estimated fringe benefit rates for RCUH employees. If actual fringe rates for an employees are known, those rates should be used instead of the estimated rates provided.

If you have any questions, please contact Joanne Yama, Cost Studies and Rate Analysis Manager, at jyama@hawaii.edu, or (808) 956-9242.
Preparing for Annual Kuali Financial System (KFS) Effort Certifications and Cost Sharing Effort Certifications

To comply with the requirements of the U.S. Office of Management and Budget's Uniform Guidance at 2 CFR 200.430 and support the university's system of internal controls which provides a reasonable assurance that compensation charges are accurate, allowable and properly allocated to an award, the annual Kuali Financial System (KFS) Effort Certifications and Cost Sharing Effort Certifications will be generated in early August. Each principal investigator must certify to the reasonableness of compensation that have been charged or cost shared to their projects. Fiscal administrators should assist the PIs with completing the certifications in accordance with the established deadline.

Please note that separate certification processes have been developed for compensation charged to or cost shared on your award.

- For compensation charged to your award, "KFS Effort Certifications" will be generated from payroll recorded in the KFS Labor Ledger. EC eDocs will be created and saved in your KFS action list.
- For compensation cost shared on your award, "Cost Sharing Effort Certifications" will be generated from the cost shared payroll recorded in the KFS cost share sub-account. However, the Cost Sharing Effort Certifications are NOT in KFS but will be accessible online with your UH username and password.

In preparation for the creation of the annual KFS Effort Certifications and Cost Sharing Effort Certifications, please process all adjustments that impact prior year balances by **July 31, 2017**. After July 31, 2017, adjustments to prior year balances will not be accepted. For prior year Labor Ledger adjustments, Salary Transfers should be prepared and routed for approval through KFS. For prior year Cost Sharing adjustments, please refer to the accompanying newsletter article entitled "**Prior Year Cost Sharing Entry Adjustments**".

Detailed instructions for certifying both KFS Effort Certifications and Cost Sharing Effort Certifications will be provided in August along with the release of the certifications.

For questions, please contact Dawn Kim, Compliance Manager, at dawnkim@hawaii.edu or (808) 956-0396.
As noted in the above newsletter article, “Preparing for Annual KFS Effort Certifications and Cost Sharing Effort Certifications,” in order for the Cost Sharing Effort Certification Report that will be generated in August 2017 to properly reflect the cost sharing for University of Hawaii (UH) employees, any cost sharing adjustments related to fiscal year (FY) 2017 UH personnel salaries and wages must be submitted to ORS by July 31, 2017.

For audit purposes, all cost sharing entries should be recorded in a timely manner. Therefore, it is requested that any other cost sharing adjustments for FY 2017 and prior are also submitted by July 31, 2017.

Please submit the following information for cost sharing adjustments for UH personnel salaries and fringe and other direct costs for FY 2017 and prior in an Excel spreadsheet:

<table>
<thead>
<tr>
<th>Chart</th>
<th>Account</th>
<th>Sub-Account</th>
<th>Object Code</th>
<th>UH ID</th>
<th>Source Account (Chart/Account)</th>
<th>Cost Sharing Period (Do not combine fiscal years)</th>
<th>Adjustment Amount (rounded to the nearest dollar)</th>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS001</td>
<td>7810 Salaries &amp; Wages (7820 contra account)</td>
<td>Required for adjustments to 7810</td>
<td>Required</td>
<td>Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS001</td>
<td>7811 Fringe Benefits (7821 contra account)</td>
<td>Required for adjustments to 7811</td>
<td>Required</td>
<td>Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS001</td>
<td>7812 Direct Costs (7822 contra account)</td>
<td>N/A</td>
<td>Required</td>
<td>Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Submit the Excel file via e-mail to Karen Matsunaga, Projects Financial Services Specialist, at klmatsu@hawaii.edu. The e-mail subject line should read “Prior Year Cost Sharing Adjustments.”

For cost sharing of external support, unrecovered indirect costs and tuition waivers, please continue to submit any adjustments via the Kuali Financial System (KFS) DI (“Distribution of Income and Expense”) e-Doc.

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As described in AP 12.410, Accounting for Cost Sharing, proper supporting documentation must be maintained for all cost sharing amounts reported. The principal investigator (PI) and project staff are responsible for providing any supporting documentation requested by sponsors and/or auditors.

For questions, please contact Bob Roberts, Projects Fiscal Accounting Manager, at roberts@hawaii.edu or (808) 956-6959.

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 (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 at: http://www.ors.hawaii.edu/index.php/apply/budget-development/indirect-costs

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, 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**
- **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.

I am applying for a continuation of my current project. Is there a way to make a copy of my initial proposal to save some work and time?

To expedite proposal creation, an aggregator/viewer on an existing proposal can copy it, with the option to also copy budget(s), attachment(s) and questionnaire.

Click the “Find My Proposals” shortcut from the myGRANT homepage. The query will run and open an “All Proposal Development Document Lookup”. In the results that appear at the bottom of the screen, click the “copy” option in the “Actions” column to open the “Copy to New Document” window.

Alternatively, if you are already in a proposal, you can use the “Copy” option located in the proposal toolbar. When using this option, you will exit your current proposal and open the new proposal.

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In the “Copy to New Document” window, you will be able to choose to copy the entire proposal or the proposal with or without budget(s), attachment(s), and questionnaire. You will have to select a “Lead Unit” as well.

Key Person Certification will need to be answered by each key personnel listed in the copied proposal. Finally, budget and attachments in the copy will need to be reviewed and marked complete before the copied proposal can be submitted for review (routing).

If you need assistance with this process, contact the ORS Helpline.

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