**Office of Research Services**

**Extramural Funds Accounting**

**FAQ**

**11/15/2021**

**GENERAL**

1. **What are my roles and responsibilities as a Principal Investigator (PI) or Fiscal Administrator (FA)?**

Refer to the [Research Support Center’s Project Lifecycle](https://research.hawaii.edu/rsc/research-lifecycle/)

For additional information, see [Administrative Procedure (AP) 8.926, Administrative and Financial Management for Extramurally Financed Research and Training Programs/Activities of the University of Hawai’i (UH)](https://www.hawaii.edu/policy/index.php?action=viewPolicy&policySection=ap&policyChapter=8&policyNumber=926&menuView=closed), Section III.D.1 (PIs) & 2 (FAs).

1. **What resources are available for PIs and FAs?**

**ORS Resources:**

* + Contracts & Grants Certification Program on Laulima\*
  + myGRANT Training on Laulima\*
  + ORS Announcements - [subscribe](https://research.hawaii.edu/ors/find-funding/subscribe-to-ors-announcements/)
  + ORS Newsletter - [subscribe](https://research.hawaii.edu/ors/find-funding/subscribe-to-ors-newsletter/)

**Other Resources:**

* + [Electronic Code of Federal Regulations](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1)
  + [University of Hawaii (UH) Systemwide Policies and Procedures Information System (PPIS)](https://www.hawaii.edu/policy/)

This site includes Board of Regent Policies, Executive Policies, and Administrative Procedures (APs). Most research APs are in [section 12](https://www.hawaii.edu/policy/index.php?action=viewChapter&policySection=ap&policyChapter=12&menuView=closed). In addition, see [AP 8.926 Administrative and Financial Management Requirements for Extramurally Financed Research and Training Programs/Activities of the University of Hawai’i (UH)](https://www.hawaii.edu/policy/index.php?action=viewPolicy&policySection=ap&policyChapter=8&policyNumber=926&menuView=open), [AP 8.927 Facilities & Administrative Cost Charges in Contracts and Grants](https://www.hawaii.edu/policy/index.php?action=viewPolicy&policySection=ap&policyChapter=8&policyNumber=927&menuView=open), and [AP 8.951 Accounting for Federally Matching Equipment Grants.](https://www.hawaii.edu/policy/docs/temp/ap8.951.pdf)

* Financial Management Office (FMO) Training on Laulima\*
  + [FMO systems training](https://www.fmo.hawaii.edu/financial_systems/index.html#tab10)
  + FMO Newsletter – [subscribe](https://www.fmo.hawaii.edu/news/index.html)

\* Login to Laulima (<https://laulima.hawaii.edu>) and request membership.

1. **How can I get a no-cost extension?**

Contact your assigned [ORS specialist](https://www.ors.hawaii.edu/ors-assignments/)

1. **How can I contact my ORS accountant?**

**Link to Find your Assigned ORS accountant**

1. **When are closeout due dates?**

For federal sponsors, final financial reports are generally due 90 days after project termination. Other sponsors may have shorter closeout periods.

In accordance with [AP 12.412, Extramural Closeout Procedures](https://www.hawaii.edu/policy/docs/temp/ap12.412.pdf), FA confirmation of final expenditures and approval for closeout is due by:

**Report Due Date:** **FA Confirmation/Approval Due By:**

90 days after project termination 30 days prior to due date

60-89 days after project termination 20 days prior to due date

< 60 days after project termination 15 days prior to due date

1. **Where can I find information about RCUH?**

Go to: <https://www.rcuh.com/>

Refer to: [AP 12.203, Service Orders to the Research Corporation of the University of Hawaii](https://www.hawaii.edu/policy/docs/temp/ap12.203.pdf)

**KFS ACCOUNTS**

1. **How can I expedite establishment of my KFS account?**

Help ORS expedite this process by:

* Processing proposals and agreements through myGrant in a timely manner.
* Ensuring proposals include complete and accurate information such as budget detail and sponsor information (address, etc.).
* Ensuring the Indirect Cost Rate is either the [Negotiated Indirect Cost Rate Agreement (NICRA) rate](https://research.hawaii.edu/ors/apply/indirect-costs/), or support for a sponsor capped rate or Facilities and Administrative (F&A) waiver is included in award documents as required.
* Obtaining compliance protocols and other required approvals prior to award execution.
* Ensuring that the PI and all key personnel complete their COI and any required training.

1. **What if I need to start hiring personnel and encumbering funds before my award is fully executed?**

You may submit a Request for Advance Account. See [AP 12.405 – Advance Funding Accounts for Externally Financed Programs and Activities](https://www.hawaii.edu/policy/docs/temp/ap12.405.pdf). Forms & Instructions are available at:

[ORS Form 1 – Request for Advance Account Approval](https://research.hawaii.edu/files/ors/AdvanceAccountRequest.pdf)

[Instructions for ORS Form 1 – Request for Advance Account Approval](https://research.hawaii.edu/files/ors/Instructions_ORS_Form_1.pdf)

1. **In anticipation of an award, if I charge expenditures to a department account instead of requesting an advance account, will my unit still bear the financial risks for expenditures incurred?**

Yes

1. **If I don’t have a KFS project account for my new project, can I “temporarily” charge expenditures to an existing project account or a revolving fund, such as my RCUH Revolving Fund?**

No. PIs are responsible and accountable for ensuring allowability, allocability, and reasonableness of all project costs. It is important to ensure the integrity of existing project accounts.

Sponsored research or training activities funded via grant, contract, cooperative agreement or other sponsored agreements should not be charged to RCUH Revolving Funds. See Section III.C.1 of [AP 12.204, Revolving Fund Service Orders to the Research Corporation of the University of Hawaii](https://www.hawaii.edu/policy/docs/temp/ap12.204.pdf).

Deliberately charging costs to a project account and then transferring them to another is a “red flag” for auditors and will result in an audit finding. Instead, an advance account should be opened so that costs are charged to the proper account.

**TRANSACTION PROCESSING**

1. **What are allowable, allocable & reasonable costs?**

To be chargeable to an award, costs must be:

* Allowable: UG 200.403: <http://go.hawaii.edu/2pJ> Permitted by federal or governmental regulations and/or the sponsor’s award terms and conditions, and consistently treated.
* Reasonable: UG 200.404: <http://go.hawaii.edu/Jpk> Such that a “prudent person” would have paid the stated amount for the goods and services. “Prudent person” is generally defined as a person of “ordinary prudence and intelligence”.
* Allocable: UG 200.405: <http://go.hawaii.edu/XpJ> Necessary to carry out the scope of, and provide a benefit to the project.

Note that per UG 200.405 (d),

*…If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.*

For further guidance on allowable, allocable, and reasonable costs, refer to [Extramural Award Cost Guidelines](https://research.hawaii.edu/files/ors/Extramural_Award_Cost_Guidelines.pdf).

1. **Which transactions should be processed through UH and which should be processed through RCUH?**

[Per AP 12.203, Service Orders to the Research Corporation of the University of Hawaii](https://www.hawaii.edu/policy/docs/temp/ap12.203.pdf),the UH financial system shall be the book of original entry.

The RCUH web based system shall be used to process transactions on extramurally-sponsored research and training accounts except for the following types of transactions which shall be processed through the UH financial system:

1. UH Personnel Costs

2. Journal Vouchers

3. Split Funded Transaction (procurement involving a sponsored research account and a general fund account not service ordered to RCUH)

4. Student Fellowship and Trainee payments

5. Scholarship and Grant Payments

6. University of Hawaii Purchasing Card Transactions/Payments

7. Payments on Outstanding UH Purchase Orders.

All commitments and disbursements of project funds made by RCUH on behalf of UH shall be recorded in the UH financial system.

1. **How do I process KFS transactions and edocs?**

Refer to the FMO Financial Processing section: <http://www.fmo.hawaii.edu/financial_systems/index.html#tab10>

1. **Do I have to allocate “shared” costs to my fixed price award?**

Yes.CFR 200.405(d) states, **“** Direct cost allocation principles: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§200.310 through 200.316 and 200.439.”

1. **How do I record cost sharing?**

**Link to Project Accounting – Recording Cost Sharing**

1. **Why is it important to transfer transactions from the continuation account to the project account prior to closeout?**

For cost-reimbursable awards, only transactions included in the project account will be invoiced to and paid by the sponsor. Transactions remaining in the continuation account after project closeout need to be covered by other departmental funds.

**KFS LOOKUP**

1. **How can I view my account balance?**

**Link to KFS Lookup – Current Account Balances**

1. **How can I view invoices that have been submitted by ORS Accounting to the sponsor?**

**Link to View Invoices in KFS**