

CONTENT

- Now Open for Enrollment - Spring 2009 ORS Grant & Contract Certification Program
- E-Verify: New Federal Rule
- National Science Foundation (NSF) Update
- Changes to ORS Form 5 and Instructions
- Carry-Forward Project Accounts
- Voluntary Committed Cost Sharing
- ORS FAQs: Multiple Investigator Forms - 5c and 5d

From the Director's Office

As we look back at 2008, ORS is proud of what we were able to accomplish together.

As of December 31, ORS received awards for the first half of the '09 fiscal year totaling \$252 M. During the same period, ORS issued 2,641 invoices for a total of \$78 M, and payments received during the period totaled \$183.5 M. These figures represent significant efforts contributed by ORS.

As we enter the New Year, we are happy to welcome Dawn Kim as the Manager of the ORS Financial Compliance Section. Formerly, Dawn was the Assistant VP & Senior Compliance Auditor at First Hawaiian Bank. Dawn brings to ORS over 20 years of financial and auditing experience. We look forward to Dawn's leadership in enhancing the ORS Financial Compliance policies and procedures.

ORS is committed to provide outstanding service to the research community at UH and we look forward to another successful year.

Yaa-Yin Fong
Director



Happy New Year!

Now Open for Enrollment - Spring 2009 ORS Grant and Contract Certification Program

ORS is proud to provide continuing educational programs that assist in better understanding the contract and grants submission process. This certification program covers: proposal and contract preparation & review process, research compliance issues, budgeting, cost sharing, indirect cost returns, program income, electronic tools and post-award management and reporting.

The program is comprised of 6 modules that are held on Thursdays only: 2/26, 3/5, 3/12, 3/19, 4/2 and 4/9 (Observed Holiday - 3/26). Each module will run about three hours from 10am - 1pm.

These sessions are held at Manoa Kuykendall 201 and also broadcast live to the following locations: Kapiolani Community College (CC), Kauai CC, Maui CC, Molokai Education Center, and UH Hilo.

Registration deadline is Friday, February 6, 2009.

For more information, visit us at the ORS Web site/Training: http://www.hawaii.edu/ors/certification_info.html .

E-Verify: New Federal Rule

Effective January 15, 2009, a new federal regulation will affect awards conducted under federal contracts and subcontracts that include an E-Verify clause. The rule requires use of a federal internet-based system called E-Verify to verify the employment eligibility of existing employees (hired after 11-06-86) and new hires who are directly performing work under the award. This requirement may also apply amendments to existing contracts, when the sponsor adds an E-Verify clause.

When the E-Verify rule applies, PIs will receive a memo from ORS notifying them of the requirement and explaining what steps need to be taken.

As required, UH and RCUH have enrolled in the E-Verify system. All RCUH employees will be automatically e-verified. UH employees will be e-verified only when required by the contract.

Personnel Officers from each unit will handle the E-Verify process for UH employees that are affected by this rule. Student employees are also subject to the E-Verify rule, and e-verification of students will be handed by the UH Student Employment Office.

More information can be found at: <http://www.uscis.gov/portal/site/uscis/menuitem> .

National Science Foundation (NSF) Update

Debut of the Grants for Rapid Response Research (RAPID) and EARly-concept Grants for Exploratory Research (EAGER)

The *RAPID* funding mechanism is used for proposals when there is severe urgency with regard to availability of or access to data, facilities or specialized equipment. This includes quick-response research on natural or anthropogenic disasters and similar unanticipated events.

The *EAGER* funding mechanism may be used to support exploratory work in its early stages on untested but potentially transformative research ideas or approaches. This work may be considered especially “high risk/high payoff” in the sense that it involves radically different approaches, applies new expertise, or engages novel disciplinary or interdisciplinary perspectives.

If either *RAPID* or *EAGER* mechanisms are being considered, PIs must contact the NSF program officers whose expertise is most germane to the proposal topic prior to submission of a *RAPID* or *EAGER* proposal for a determination of the appropriateness of the work for use of these funding mechanisms. *More information on NSF RAPID and EAGER can be found at: http://www.nsf.gov/pubs/policydocs/pappguide/nsf09_1/nsf091.pdf.*

NSF Agency Specific Requirements regarding Research Terms and Conditions (RTCs)

The NSF Agency Specific Requirements will go into effect on January 5, 2009 and will be applicable to all new and existing NSF grants where funding increments to organizations are subject to 2 CFR Part 215. *More information is available at: http://www.nsf.gov/pubs/policydocs/rtr/nsf_109.pdf.* The RTCs will not be applied to NSF cooperative agreements or individual NSF fellowship awards. The significant changes are as follows:

Article 2 (SGER) has been updated to eliminate the prior approval requirement for obtaining an extension to new Small Grant for Exploratory Research (SGER) awards. The SGER program is being replaced by the *RAPID* and *EAGER* mechanisms described above. *RAPID* and *EAGER* follow standard NSF policies and procedures related to no-cost extensions.

Article 9 (Financial Reporting) has been revised to require use of the Federal Financial Report (FFR) for submission of expenditure information. The OMB has directed that the Federal Financial Report (FFR) replace the Federal Cash Transactions Report (FCTR). In support of this initiative, the FastLane FCTR will be deactivated effective January 5, 2009. The FCTR will remain available in view only mode for historical reports. *Instructions for using the FFR is available in FastLane Help under Financial Functions/Prepare FFR or from the Grantee Cash Management Section at: <http://www.nsf.gov/bfa/dfm/cmeab.jsp>.*

Article 13 (Travel) has been updated to incorporate revised circumstances under which use of a foreign-flag air carrier is permissible to transport passengers and cargo on flights funded by the U.S. government. The article addresses Airline “Open Skies” Agreements between the U.S. and foreign governments that meet the requirements of the Fly America Act. *More information can be found at: http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=24833&noc=T.*

For more information regarding these NSF updates, contact Kathy Yoshinaga, ORS Pre-Award Specialist at kyoshina@hawaii.edu or (808) 956-4057.

Changes to ORS Form 5 and Expanded Instructions

Changes have been made to the Form 5 section F.3 and expanded instructions to ensure compliance with federal regulations pertaining to the Environmental Health and Safety Office (EHSO):

Form 5 Section F.3: <http://www.hawaii.edu/ors/forms/FORM5.pdf>

Form 5 Expanded Instructions: <http://www.hawaii.edu/ors/forms/ORS%20Form%205%20Expanded%20Instructions.htm>

3. **Health and Safety:** Check all that apply:

Compressed gas diving Radioactive material Hazardous material Other:

If any of these boxes are checked, attach the approval from EHSO with this proposal.

Importation of micro-organisms Use of recombinant DNA Select Agents

If any of these boxes are checked, attach Approval/Exemptions letter from Office of the Assistant Vice Chancellor for Research and Graduate Education.

For more information, contact ORS Helpline at helpline@ors.hawaii.edu or (808) 956-5198 or EHSO.

Carry-Forward Project Accounts

ORS has received several questions about when new accounts should be established for award budgets that are carried forward to a subsequent award period. The following guidelines are offered to help make these determinations.

1. If the award number does not change, use the existing project account.
2. If the award number changes or there is a new award document/purchase order issued, create a new project account.
3. Sponsor requirements override guidelines 1 and 2 above (i.e., National Institutes of Health - NIH).
4. Limitations of the FMIS system may require that a new account be established for budget tracking purposes.

All efforts should be made to utilize the existing project account numbers for the entire project period where there are no sponsor limitations or other types of limitations. We look forward to seeing a reduction in the number of accounts established in the system with the future implementation of Kualii.

For more information, contact: Janis Morita, Projects Fiscal Accounting Manager at morita@hawaii.edu or (808) 956-6959.

Voluntary Committed Cost Sharing

Cost sharing that is offered voluntarily, where there is no mandatory requirement in the Request For Proposal (RFP), becomes a financial obligation of UH when it is included in the award document or incorporated by reference.

Federal cost accounting principles require that both mandatory and voluntary committed cost sharing be documented and included in the research base for rate negotiation purposes. Failure to do so could be costly to UH.

Identifying voluntary cost sharing commitments in the award can be a challenge. Award documents often incorporate the entire proposal by reference, which means that the entire proposal is subject to interpretation. There are four common areas where voluntary cost sharing appears or is perceived to appear:

- **Budget**
- **Budget Narrative**
- **Resources**
- **Current and Pending Support**

Budget

In some federal sponsor budget formats, there are federal share and non-federal share columns. If the non-federal share column is filled in for an RFP that has no mandatory cost sharing requirement, the investigator has voluntarily committed to donate university resources to the project.

However, not putting anything in the Non-federal share column (or leaving line M blank on a NSF proposal) does not mean that the university is free and clear. This is because the other three areas may pose a problem.

Budget narrative

Citing the percent of full-time equivalent (FTE) or months of unpaid effort the investigator or other key personnel will devote to the project implies that there is cost sharing. Along with the base salary, which can be requested by the auditor under the grant terms and conditions, there is enough data to compute the value of cost shared salaries.

In some cases, the sponsor requires disclosure of paid or unpaid effort. Unless there is an explicit understanding that the effort is provided for informational purposes and is not to be construed as cost sharing, cost sharing is still implied.

Similarly, phrases valuing supplies, travel support or other items that will be used in the project implies there is cost sharing.

Resources

In some proposals, a description of facilities and other resources available to support the project is required. Here, as in the budget narrative, placing dollar values on the facilities, equipment or other resources that will be available for use by the project implies there is cost sharing.

It is fine to boast about the state-of-the art facilities, equipment and research workstations available. However, if there is no intent to cost share, it would be wise to avoid valuing them.

Voluntary Committed Cost Sharing (*Continued*)

Current and Pending Support

In some proposals, the investigator must disclose sources of current and pending salary support whether paid or unpaid. Sometimes investigators feel that they must include documentation to show that they are working on the project. This can also result in implied cost sharing.

For example, NSF states in its Cost Sharing Policy Frequently Asked Questions, if an institution does not intend to account for unpaid effort as cost sharing, such effort probably should not be included in the current and pending support section. This seems to indicate that unpaid effort disclosed in this section should be documented.

As discussed above, leaving line M blank provides no safe haven in this case. If unpaid effort is disclosed in the current and pending support, it should be documented.

Where do we go from here?

To the extent possible, UH discourages voluntary cost sharing due to the administrative burden associated with setting up, documenting, monitoring, adjusting, and certifying cost sharing data.

However, if the investigator is willing to handle the added administrative duties and the dean or director agrees to commit resources to cost sharing, then the investigator may offer voluntary cost sharing in the proposal. If the proposal is funded, the investigator will be responsible for documenting the shared costs.

To make it easier for fiscal office and central office staff to identify voluntary cost sharing that the investigator has offered, ORS recommends that the commitment be explicitly identified in the budget narrative of the proposal. Also, the Form 5 should be marked to indicate that there is cost sharing involved. A suggested format might be:

Voluntary Cost Sharing

The College plans to commit 15% of the investigator's time and related fringe benefit costs for 2 months. It will also match \$50,000 toward the purchase of equipment. The total approximate value of the commitment is \$83,000.

NOTE: This section serves as the college/university's total cost sharing commitment to the project. Any other information disclosed in the rest of this proposal or attachments thereto are for informational purposes only and should not be construed to be cost sharing commitments.

When offering voluntary cost sharing, take steps to limit the scope of such "commitments" in the proposal by specifically calling them out in the budget narrative so that the voluntary cost sharing commitment is unambiguous.

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

ORS Helpline FAQs

1. What does the term “Multiple Investigator” mean?

The term “multiple investigator” is used by ORS when there is more than one of any type of investigator participating on an extramural project. The investigators can be Principal Investigators (PI), Co-Principal Investigators, Co-Investigators, Sub-Investigators, or any combination of the above. The term “Multiple Investigator,” as used by ORS, includes but is not limited to multiple PIs and Co-PIs as defined by the NIH and NSF.

2. I am submitting a proposal with Multiple Investigators, what do I need to do?

You will need to fill out and submit ORS Form 5c – Multiple Investigator Contact Information Form. All ORS forms are available on the ORS Web site/Forms: http://www.hawaii.edu/ors/filecabinet_forms.html.

One form will need to be submitted for each participating department - a proposal with (3) multiple PIs or Co-PIs or co-Investigators from three different departments will need to submit (3) separate forms. A proposal with (2) multiple PIs or Co-PIs or co-Investigators from the same department will only need to submit one form for their department.

3. When the proposal is awarded and there are Multiple Investigators (PIs, Co-PI, Co-Investigator) participating, what do I need to do?

You will need to fill out and submit ORS Form 5d – Multiple Investigators (PIs, Co-PI, Co-Investigator) Commitment Information Form before funds will be released. As the case with Form 5c, one form is requested from each department involved.

4. What is the purpose of the Form 5c and Form 5d?

These forms allow ORS to capture data on multiple investigator awards in the InfoEd database and report to the Chancellor/Dean/Director information relating to percent of effort of their faculty on extramural awards.

5. Do I need to submit a Form 5c if my project involves investigators from other institutions?

No. The ORS Forms 5c and 5d are used for UH investigators only. If there are external investigators on a proposal or award, letters of commitment from the external institution are required.

6. What is meant by the term, “Lead Principal Investigator”?

Each extramural project must have one PI who is the contact person for the sponsor regarding administration of the award. This is the Lead PI.

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.