



# ORS Newsletter

July 2018

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## UPDATED SUBAWARD PROCESS - IMPLEMENTED JULY 1, 2018

In our June 2018 newsletter, we informed you of the upcoming revisions to the University of Hawaii's (University's) subaward process. In case you missed our announcement, the following was sent through the ors-announce listserv on June 29, 2018:

In an effort to improve and streamline the University's subaward process, effective July 1, 2018, principal investigators and project personnel should obtain a completed subrecipient commitment form (ORS Form S-1 or S-1 FDP, more information below), tax clearance certificate (if applicable) and evidence of a valid SAM registration directly from the subrecipient for submission to ORS when requesting preparation of a subaward. The subaward and subrecipient checklists have been revised to reflect this change, and the new versions are posted on the forms page of the ORS website (<http://www.ors.hawaii.edu/index.php/apply/forms>).

As a note, effective July 1, 2018, the Electronic Subrecipient Commitment Form will no longer be available for use, and there will be two different versions of the ORS Form S-1. Subrecipients who are FDP Expanded Clearinghouse participants should complete the ORS Form S-1 FDP ([http://www.ors.hawaii.edu/files/compliance/S-1\\_fdp\\_ec.pdf](http://www.ors.hawaii.edu/files/compliance/S-1_fdp_ec.pdf)). All other subrecipients should complete the ORS Form S-1 ([http://www.ors.hawaii.edu/files/compliance/S-1\\_Subrecipient\\_Commitment.pdf](http://www.ors.hawaii.edu/files/compliance/S-1_Subrecipient_Commitment.pdf)). Both forms are posted on the ORS forms page at <http://www.ors.hawaii.edu/index.php/apply/forms>.

Existing subawards currently in progress as of July 1, 2018 will continue to be processed under the old procedure, unless otherwise requested. To submit a request, please email [subaward@hawaii.edu](mailto:subaward@hawaii.edu).

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## UPDATED SUBAWARD PROCESS - IMPLEMENTED JULY 1, 2018 (CONTINUED)

For additional information on the revised process, please refer to the Subaward Process / New Subawards information posted at <http://www.ors.hawaii.edu/index.php/start-up-a-manage/project-account-set-up/subaward-process>.

Should you have any questions, please contact Dawn Kim, ORS Compliance Manager, at [dawnkim@hawaii.edu](mailto:dawnkim@hawaii.edu) or (808) 956-0396.

### 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 of Hawaii's system of internal controls which provides a reasonable assurance that compensation charges are accurate, allowable and properly allocated to an award, the annual Kualo Financial System (KFS) Effort Certifications and Cost Sharing Effort Certifications will be generated in mid-August 2018. The principal investigator (PI) must certify to the reasonableness of compensation that have been charged or cost shared to their projects. The fiscal administrator (FA) 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. Effort Certification (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 using 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 FY 2018 balances **by July 31, 2018**. For prior year Labor Ledger adjustments, Salary Transfers should be prepared and routed for approval through KFS. For fiscal year (FY) 2018 Cost Sharing adjustments, please refer to the accompanying newsletter article entitled "***Fiscal Year (FY) 2018 Cost Sharing Entry Adjustments***".

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## PREPARING FOR ANNUAL KUALI FINANCIAL SYSTEM (KFS) EFFORT CERTIFICATIONS AND COST SHARING EFFORT CERTIFICATIONS (CONTINUED)

Detailed instructions for certifying both KFS Effort Certifications and Cost Sharing Effort Certifications will be provided in August 2018 along with the release of the certifications.

For questions, please contact Dawn Kim, Compliance Manager, at [dawnkim@hawaii.edu](mailto:dawnkim@hawaii.edu) or (808) 956-0396.

### FISCAL YEAR (FY) 2018 COST SHARING ADJUSTMENTS

As noted in the above newsletter article, *“Preparing for Annual Kualii Financial System (KFS) Effort Certifications and Cost Sharing Effort Certifications,”* in order to ensure that the fiscal year (FY) 2018 Cost Sharing Effort Certifications properly reflect the cost shared amounts for University of Hawaii (University) employees, please submit any cost sharing adjustments related to FY 2018 University personnel salaries and wages **by July 31, 2018**. While other direct cost sharing amounts are not captured in the annual Cost Sharing Effort Certification, to ensure the timely recording of all direct cost sharing amounts, please also submit FY 2018 direct cost sharing adjustments by **July 31, 2018**. Please **DO NOT** submit these cost sharing effort adjustments in the Kualii Financial System (KFS). ORS will process a JV to record these FY 2018 cost sharing entries.

Please prepare an Excel spreadsheet with the following information for FY 2018 cost sharing adjustments for University personnel salaries, fringe and other direct costs. Email the Excel file to Karen Matsunaga, Projects Financial Services Specialist, at [klmatsu@hawaii.edu](mailto:klmatsu@hawaii.edu). The subject line should read “FY 2018 Cost Sharing Adjustments.”

Chart	Account	Sub-Account	Object Code	UH ID	Source Account (Chart/Account)	Cost Sharing Period (include only FY 2018)	Adjustment Amount (rounded to the nearest dollar)	
							DR	CR
		CS001	7810 Salaries & Wages (7820 contra account)	Required for adjustments to 7810	Required	Required		
		CS001	7811 Fringe Benefits (7821 contra account)	Required for adjustments to 7811	Required	Required		
		CS001	7812 (Direct Costs (7822 contra account))	N/A	Required	Required		

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## FISCAL YEAR (FY) 2018 COST SHARING ENTRY ADJUSTMENTS (CONTINUED)

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

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 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 [rroberts@hawaii.edu](mailto:rroberts@hawaii.edu) or (808) 956-6959.

## FISCAL YEAR (FY) 2018 SINGLE AUDIT

As an entity that expends more than \$750,000 in federal funds, the University of Hawaii (University) is required to receive an annual Single Audit. The purpose of this audit is to provide assurance to the federal government that we are capable of managing our federal awards in accordance with laws, regulations, policies and procedures as well as terms and conditions of our federal awards. The University has engaged Accuity LLP Certified Public Accountants (Accuity) to perform our Single Audit. As in prior years, the Office of Research Services will be coordinating the audit requests and will be working with the appropriate staff across the University. Starting from late May through mid-November, your staff may be contacted for documentation, inquiries and follow up requests. In order for Accuity to complete the audit by mid-November and present the audit report (prior audit reports available at: <https://www.hawaii.edu/offices/budget-finance/>) to the Board of Regents in December, we request full cooperation in meeting all requests and deadlines. If we encounter any delays in obtaining information and responses for the audit, requests may be escalated to the appropriate Vice Presidents or Chancellors for assistance.

We thank you in advance for your assistance and cooperation and look forward to a smooth FY 2018 Single Audit. For questions, please contact Dawn Kim, Compliance Manager, at [dawnkim@hawaii.edu](mailto:dawnkim@hawaii.edu) or (808) 956-0396.

## RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII (RCUH) ACCOUNTS PAYABLE

Please process payments for invoices with service dates on or prior to June 30, 2018 promptly for proper year end accounts payable reporting. For payments that will be processed or approved after Friday, August 3, 2018, are \$100,000 or greater, and have service dates of June 30, 2018 or earlier, please follow procedures outlined in the Research Corporation of the University of Hawaii (RCUH) memo [“Service Dates for On-Line Payments During June 29 to August 31, 2018 Period”](#).

For questions, please contact Dawn Kim, Compliance Manager, at [dawnkim@hawaii.edu](mailto:dawnkim@hawaii.edu) or (808) 956-0396.

## ORS HELPLINE FREQUENTLY ASKED QUESTIONS

### **What is “unrecovered facilities & administrative (F&A) cost”?**

Unrecovered Facilities & Administrative (F&A) cost is the difference between the amount awarded and the amount which could have been awarded under the recipient’s approved negotiated indirect cost rate (F&A rate), where a lower indirect cost rate is applied to an award.

Unrecovered F&A applies where any of the following apply:

- The award or sponsor’s F&A rate is less than the university’s standard F&A rate, which is the federally negotiated rate.
- The PI obtains an F&A cost reduction or waiver in writing from the appropriate campus chancellor or chancellor’s designee.

According to OMB Circular A-110 and 2 CFR 200.306, the unrecovered indirect cost may be included as a part of cost sharing or matching only with the prior approval of the federal awarding agency.