

**CONTENTS**

- **National Aeronautics and Space Administration (NASA) Restrictions on Funding Activities with China**
- **New Facilities & Administrative (F & A) Rate Agreement**
- **2013 Fiscal Year End Deadlines for Submission of Kualii Financial System edocs to ORS**
- **Request for Proposals with Restricted or Limited Submissions**
- **Cost Studies: Kualii Financial System (KFS) Notes**
- **ORS F&A Rates Frequently Asked Questions**
- **ORS Helpline Frequently Asked Questions**

**From the Director's Office**

Aloha Kākou,

As of the end of April, the University of Hawai'i has received a total of \$359 million in awards, which is \$21 million above the same period last year. As we predicted, the average award amount is larger since the number of grants is fewer. Although many federal agencies are still finalizing their current year budget, the National Institutes of Health (NIH) has announced its fiscal year (FY) 2013 funding levels. They will try to keep the average size of competing awards constant at FY2012 levels, but are likely to make fewer competing awards in FY2013. The National Cancer Institute (NCI) also announced that its budget for the current fiscal year will be approximately \$4.78 billion, which is a 5.8% reduction from FY2012. The majority of the reduction (5.1%) is due to sequestration and the NCI will be making fewer awards, so this could lower their funding rate. Currently, the NCI funding rate range is about 13 to 14 percent. In general, it is anticipated that competition for awards will get tougher. ORS is looking to improve our funding opportunities website and tools to assist principal investigators (PIs), as well as for ways to help PIs to improve the quality of their proposals, as needed. As an example, this semester, ORS hosted a Rising Star workshop for PIs which received positive reviews.

As the State fiscal year is quickly approaching, ORS is already experiencing an increase in volume and anticipates that it will continue during the year end rush. Accordingly, we ask that PIs give ORS Grants and Contract Specialists a heads up on any upcoming proposals and rush contracts which may be expected to become due during the months of May and June. This will enable ORS to plan staffing accordingly and to ensure your proposals and contracts will be reviewed and submitted/accepted in a timely manner.

In April 2013, ORS completed negotiation of the F & A rates with the United States Department of Health and Human Services for fiscal years 2014 through 2017. The new negotiated rates are available on the ORS website.

## From the Director's Office (continued)

To clarify how the new rates will be applied to new proposals as well as new awards associated with prior submitted proposals, we have included an F & A Rate Frequently Asked Questions (FAQ) in this newsletter. I hope you find it useful.

Furthermore, since this is the first fiscal year-end for UH's Kualii Financial System (KFS), we have included new year-end deadlines for the Contract & Grants accounts documents process, as well as guidelines for inputting cost sharing into KFS' companion accounts. Please do check these time sensitive articles below.

Finally, we want to bring to everyone's attention, NASA's restrictions on funding activities with China. Please see the article below.

Mahalo!  
Yaa-Yin Fong  
Director

## National Aeronautics and Space Administration (NASA) Restrictions on Funding Activities with China

NASA is restricted by statute from using federal appropriations to enter into or fund any grant or cooperative agreement that will: "develop, design, plan, promulgate, implement, or execute a bilateral policy, program, order, or contract of any kind to participate, collaborate, or coordinate bilaterally in any way with China or any Chinese-owned company unless such activities are specifically authorized [by law.]" NASA defines "China or any Chinese-owned company" as "the People's Republic of China, any company owned by the People's Republic of China, or any company incorporated under the laws of the People's Republic of China."

This restriction applies to all NASA grants and/or cooperative agreements funded on or after April 25, 2011. As such, in order to receive NASA funding, the University of Hawai'i is restricted from participating, collaborating, coordinating bilaterally with China or a Chinese-owned Company at the prime recipient level or any subrecipient level, whether funded or performed under a no-exchange of funds arrangement. Based on NASA's language, the restrictions appear to apply to the university as whole, not just the project. However, NASA has not yet issued guidance on this issue. ORS is working to obtain clarification from NASA with the help of the Council on Governmental Relations (COGR). ORS will keep you informed as we find out more.

Guidance from NASA PRC FAQ for ROSES 2012 indicates that "bilateral" generally means a participative, collaborative, coordinated effort solely between the USA and People's Republic of China. Co-authorship of papers between authors from these two countries is a bilateral activity and not permitted. Work that involves investigators from other countries and/or work done under the auspices of a multilateral organization is generally permitted. Attendance at a widely attended conference is a multilateral activity and permitted. General discussions with Chinese researchers and use of public Chinese data and websites are permitted, but these discussions and use of data must not involve talk of bilateral collaboration or bilateral agreements to obtain access to data. The purchase from Chinese companies of commercial or non-developmental items that are needed to perform the project is permitted.

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## National Aeronautics and Space Administration (NASA) Restrictions on Funding Activities with China (continued)

Please note that NASA Grant Information Circular 12-01 states, "In some situations, the restrictions...may not apply to some Chinese national students, fellows, researchers, faculty, or principal and/or co-principal investigators participating under NASA grants and cooperative agreements provided the individual is not affiliated with the Chinese state to include the Government of the People's Republic of China or entities that are part of or controlled by the Chinese state." However, participation by Chinese nationals will be reviewed on a case-by-case basis by NASA grant and technical officers in order to determine whether restricted funds may be used under the circumstances.

To ensure that the University of Hawai'i is in compliance with relevant laws and NASA's funding restrictions, ORS will ask principal investigators who apply for, receive, or have received applicable NASA funding to provide information in order to determine whether the university is compliant with NASA's restrictions. In addition, ORS will continue to monitor these restrictions to ensure they are not accepted in violation of university policy.

Additional detail is available from NASA as follows:

NASA Grant Information Circular 12-01

[http://prod.nais.nasa.gov/pub/pub\\_library/grantnotices/gic12-01.html](http://prod.nais.nasa.gov/pub/pub_library/grantnotices/gic12-01.html)

NASA Procurement Information Circular 12-01A

<http://www.hq.nasa.gov/office/procurement/regs/pic12-01A.html>

NASA PRC FAQ for ROSES 2012

<http://science.nasa.gov/researchers/sara/faqs/prc-faq-roses/>

Inquiries about existing awards, subawards and solicitations should be directed to Rory Ann Kaneshiro, ORS Contracts Manager, at [rory@hawaii.edu](mailto:rory@hawaii.edu) or (808) 956-5300.

## New Facilities & Administrative (F&A) Rate Agreement

The University of Hawai'i has completed negotiation of its facilities & administrative costs (F&A) rate agreement with its cognizant agency, the United States Department of Health and Human Services Division of Cost Allocation (HHS DCA), which covers fiscal years (FY) 2013 through 2017. A table summarizing the F&A rates can be found at: <http://www.ors.hawaii.edu/index.php/rates/102-quick-links/rates/97-indirect-cost-rates>. HHS DCA will also distribute our new negotiated rates to the federal sponsoring agencies for their use.

Principal investigators (PIs) can begin using the new negotiated rates in proposals that will result in new awards and for competing continuations. On June 1, 2013, use of the new rates is mandatory.

New awards for proposals that have already submitted, including competing continuations, will be handled in the following manner:

1. Awards received before July 1, 2013 that use the old negotiated rates will be accepted at the old rates.

## New Facilities & Administrative (F&A) Rate Agreement (continued)

2. Awards received July 1, 2013 and after with a prior approval to waive or reduce negotiated F&A rate at the time when the proposal was submitted, will be accepted at the time of the award at the approved rate in the proposal.
3. Awards received July 1, 2013 and after for the proposals submitted using the old negotiated rates should be made using the new negotiated rates by the federal sponsor. OMB A 21, Section G7 states that federal agencies must honor the F&A rates in effect at the time of the award. However, based on our past experience OMB has not uniformly enforced this section. In the case that the sponsor does not honor the new negotiated rates; the PI can submit a request to waive or reduce the F&A rates to the appropriate chancellor to minimize the impact on the direct cost budget.
4. Please note that, per UH APM A8.927, proposals and awards for non-competing continuations should use the same rates as the original award.
5. For more information, please see the F&A Rate FAQs below.

Should you have any questions, please contact Kevin Hanaoka, Cost Studies Manager, at [hanaokak@hawaii.edu](mailto:hanaokak@hawaii.edu) or 956-9242.

## 2013 Fiscal Year End Deadlines for Submission of KFS eDocs to ORS

In order to meet the processing deadlines in KFS for transactions to be booked for fiscal year 2013, the following eDocs and activities need to be **completed and/or in the ORS Action List** by the following dates:

DOCUMENT/ACTIVITY	DUE DATE IN ORS ACTION LIST	COMMENTS/NOTES
Account Maintenance eDoc – FA Initiated	06/21/2013	
Budget (BA and SSBA) eDoc – FA Initiated	06/21/2013	
Disbursement Voucher (DV) eDoc (includes Stipends, Reimbursements, Refunds, etc.)	06/14/2013	
General Error Correction (GEC) eDoc	06/14/2013	
Salary Expense Transfer (ST) eDoc	06/14/2013	
Clear Accounts in Deficits (ORS Compliance)	05/31/2013	Deadline for completion by FA is 05/31/2013 per ORS Compliance Memo. All edocs to clear deficits need to be in the ORS Action List by 05/31/2013.
Distribution of Income and Expense (DI) eDocument -- Cost Sharing	06/14/2013	<b>Ad hoc route for Approval to group 20021 - UH ORS Cost Studies</b>

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## 2013 Fiscal Year End Deadlines for Submission of KFS eDocs to ORS (continued)

DOCUMENT/ACTIVITY	DUE DATE IN ORS ACTION LIST	COMMENTS/NOTES
Distribution of Income and Expense (DI) eDocument -- Pre-7/5/12 Vacation Payout Tfr (2073)	06/14/2013	<b>Ad hoc route for Approval to group 20021 - UH ORS Cost Studies</b>
Distribution of Income and Expense (DI) eDocument -- Vacation Credit Transfer (w/n UH - 2073)	06/14/2013	<b>Ad hoc route for Approval to group 20021 - UH ORS Cost Studies; Do not include fringe!</b>
Disbursement Voucher (DV) Vacation Credit Transfer to State agency (2071)	06/14/2013	<b>Ad hoc route for Approval to group 20021 - UH ORS Cost Studies; Do not include fringe!</b>
Salary Expense Transfer (ST) eDocument - Vacation Payout Transfer (2030)	06/14/2013	<b>Ad hoc route for Approval to group 20021 - UH ORS Cost Studies</b>
Email requests for KFS Cost Sharing beginning balance adjustment	06/18/2013	DO NOT SUBMIT VIA KFS. Requires manual JV. Submit email to hanaokak@hawaii.edu
New VPR RTRF allocations approved last two weeks of June 2013	N/A	Wait until FY 2014 for transfer

If you have any questions regarding the above deadlines and/or due dates, please contact Janis Morita at (808) 956-6959 for accounting deadlines, Dawn Kim at (808) 956-0396 for clearing of CG accounts in deficit, and Kevin Hanaoka at (808) 956-9242 for vacation transfers/payouts, RTRF, and cost sharing.

### Request for Proposals with Restricted or Limited Submissions

When a Request for Proposals (RFP) has a restriction on limited submissions, it usually means a restriction on the number of submissions from an institution allowed either per solicitation or per year.

Although the University of Hawai`i has provided separate DUNS numbers for each campus, there may still be restrictions placed on submissions because the university and its ten (10) campuses are considered a single institution by certain agencies. Please be sure to review your RFP carefully for such restrictions and if the institutional definition is not clear, contact your assigned ORS Grants Specialist for clarification from the sponsor. If there is such a limitation, please follow the procedures set forth below and/or on the ORS website <http://www.ors.hawaii.edu/index.php/apply/proposal-submission-and-review-process/restrictions-and-limitations>.

Please also keep in mind that if there is a limitation of submission by school or unit, each dean/director must conduct their own internal review and select the proposal approved for proposed submission. Please attach the email or document which verifies your selection for submission in the *myGRANT* internal document attachment.

## Cost Studies: Kualii Financial System (KFS) Notes

### Cost Sharing DI e-Docs Process Guidelines

1. The cost share FTE% for personnel should be included via file attachment or notation in the Explanation or Notes section.
2. Must add ad hoc route for APPROVE to ORS Cost Studies (Group 20021). Documents not ad hoc routed to ORS Cost Studies for APPROVE, including those ad hoc routed for FYI or ACKNOWLEDGE, will be disapproved.

Following these guidelines will help expedite processing of KFS Cost Sharing DI e-Docs.

### Important Cost Sharing Data Entry Information

- Cost sharing should be entered on a quarterly basis (or monthly if required for reporting purposes).
- Cost sharing amounts should be based on actual expenditures and rounded to the nearest dollar.
  - ◊ However, do not wait until July 2013 to record June 2013 cost sharing, especially recording of salary data, which will be needed for the effort report.
  - ◊ Also, if fringe was previously reported to ORS Accounting at 22%, use the figures calculated at 22% to record the data, if they haven't been recorded in KFS.
- Only current fiscal year amounts should be input on the DI's. If you have prior fiscal year amounts, please email Aimee Mari ([aasamoto@hawaii.edu](mailto:aasamoto@hawaii.edu)) with the project account, object code and amount so that we may notify the appropriate system office to adjust the beginning balance.
- **Amounts on the DI are incremental and will be added to the balance already existing in the system.**

### RTRF Account Type Required for Annual Report

In the past, ORS Cost Studies used roll-up code 1 in FMIS to report allocations, expenditures, encumbrances and commitments by RTRF category (e.g. facilitating services, off-the-top, faculty travel, etc.).

Under KFS, the roll-up codes have been re-purposed for field use and cannot be used by the central offices. New account type codes were created to assist ORS Cost Studies with categorizing RTRF for reporting purposes. **Please utilize these commonly used codes when creating new RTRF accounts.**

Account Type	Account Type Description	Comments
RF	RTRF Facilitating	
RL	RTRF URC Travel	For faculty travel funds received from the University Research Council
RR	RTRF Research Relations	For research relations funds received from the University Research Council
RC	RTRF Chancellor	For funds requested from the Manoa VC for Research
RV	RTRF VPR	For funds requested from the VP for Research

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## **Cost Studies: Kualii Financial System (KFS) Notes (continued)**

Account type code RT will be inactivated. Codes RA and RZ are reserved for future use. RO (RTRF off the top) is for UH System Office use only and is used to identify research infrastructure accounts (e.g., RCUH management fee) paid with RTRF.

Should you have any questions about this article, please contact Kevin Hanaoka, Cost Studies Manager, at [hanaokak@hawaii.edu](mailto:hanaokak@hawaii.edu) or (808) 956-9242.

## **ORS F&A Rates Frequently Asked Questions**

### **General**

#### **Shouldn't the university inform the sponsoring agencies about the new rate agreement?**

The university's cognizant agency, the United States Department of Health and Human Services Division of Cost Allocation (HHS DCA), will reproduce and distribute the rate agreement to the appropriate awarding organization of the agencies of the federal government for their use. Principal investigators may furnish a copy of the rate agreement to their sponsors, but there is already an official process for distributing the rate agreement.

### **Proposals**

#### **Won't a higher F & A rate make my proposal less competitive?**

It is uncommon for the F&A costs included in a proposal budget to be a consideration in the decision to fund a project. Also, the University of Hawai'i's F&A rates are lower than equivalent rates at most universities.

#### **What if the project is 55% on-campus and 45% off-campus? Can we use two different rates?**

No. The terms of the rate agreement, which are standard, prohibit the use of more than one rate on a project under the circumstances described. Because more than 50% of the project is conducted on-campus, the on-campus rate should be used.

#### **How do we submit multiple year budgets if we don't want to go back and do a revision when awarded?**

We believe that using the highest rate during the expected period of performance to budget for F&A costs in a multi-year proposal will alleviate this problem. The idea is that budgeting for the maximum F&A will allow the sponsor to adjust the rate to the current rates in effect at the time the award is made without affecting the direct cost budget.

### **Awards**

#### **What's going to happen to proposals submitted in the past that will probably be funded after July 1, 2013 with a significantly higher rate?**

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## ORS F&A Rates Frequently Asked Questions (continued)

The old rate will not be grandfathered in because the award is received after July 1, 2013. At this point, the awards will be handled as follows:

1. Awards funded at the new rate with additional funding to cover the increases in F & A: Accept with no changes.
2. Awards funded at the new rate without additional funding: If no prior waiver had been obtained upon the submission of the proposal, rebudget internally or request a written waiver from the respective Chancellor or Chancellor's designee.

### **What happens to the award if the sponsor won't fund the new rate (assuming the award is not a noncompeting continuation)?**

Technically, the sponsor is required by the federal regulations to use the new rate. A deviation (e.g., using old rate of 36.7%) is considered a situation that would require a written waiver from the Chancellor or Chancellor's designee.

### **How are we supposed to apply the new rate to multiple-year awards that come in after July 1, 2013? Can we use one rate across the years or are we supposed to change it every year, which means we have to open a new account for each period?**

Technically, the Office of Management and Budget guidance requires the sponsor to award a multi-year project in accordance with the rates in effect. For example, if a five-year award is made when the applicable rates in effect are year 1 - 40.0, year 2 - 41.0, and year 3 - 41.5, KFS cannot handle multiple rates in one account. Hence, if the award is made in accordance with the guidance, at least three accounts will need to be opened - Year 1 at 40.0, Year 2 at 41.0, and Years 3 to 5 at 41.5 - unless a written waiver from the Chancellor or Chancellor's designee is obtained to use one rate across the award.

If the sponsor makes the award for the five-year project using the rate in effect at the time the award is made (e.g., 41.0), we would probably accept the award with a flat rate of 41.0 for the five years provided that the respective Chancellor or Chancellor's designee agrees with this position.

## ORS Helpline Frequently Asked Questions

### **A proposal I am trying to work on in myGRANT has a note "This proposal is locked for editing by (username)." What does this mean?**

Whenever a user opens a proposal record in myGRANT, the system automatically locks the record so no one else can make changes to it while they have it open. To make sure that a proposal record unlocks after you are done making changes, you need to use the "close" button at the bottom of any page of the proposal record. If you just close the browser window or logout without using the "close" button, the record will remain locked and others will be prohibited from editing it.

If you need to work on a proposal but someone else has it locked, please contact that person to make sure they are no longer working on the proposal, or you can contact the ORS Helpline for assistance.

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## ORS Helpline Frequently Asked Questions (continued)

**I am trying to make changes to a budget that was returned for changes in *myGRANT*, but all the fields in the budget are not editable. How can I make changes to the budget?**

Make sure the budget status is set to “incomplete.” Once the budget status is set to “complete,” it locks the budget for editing. To change the budget status, go to the “budget versions” tab, and use the dropdown box next to the final budget version to select “incomplete” and click “save” at the bottom.

**I submitted a proposal in *myGRANT*, how can I check the workflow status?**

Open your proposal in *myGRANT* and go to the “Proposal Actions” tab. You can check the status of your proposal in the “Route Log” section. There should be three sections: “Actions Taken,” “Pending Action Requests,” and “Future Action Requests.”

**Actions Taken:** All actions that have been completed for the proposal. This section will usually list the initiator as saving and completing the proposal, and any subsequent approvals.

**Pending Action Requests:** This section will list the approvals that are currently awaiting completion. The current pending action requests must be completed before the proposal can move forward in the approval process. If you see “Central ORS” as the pending approval, the proposal has reached the ORS office for review.

**Future Action Requests:** This section will list the approvals that will need to be completed once the current pending actions are completed. The approvals in this section are listed in the order that they need to be completed.

### **Do you have a Question or Comment for ORS?**

*Please feel free to contact us at the ORS Helpline:*

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