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From the Director's Office

Aloha kākou,

ORS has learned a great deal about the new Office of Management and Budget Uniform Guidance (OMB UG) this year and would like to share with you what we know so far. To prepare University of Hawaii's faculty & staff for the new OMB UG coming on December 26, 2014, in this month's newsletter, we provide an abstract summary of the critical changes of interest to principal investigators (PIs) and research administrative staff. We plan to offer PI informational sessions in the near future to answer any questions you may have. Please stay tuned.

We have received inquiries on Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) program application guidelines. Please see this month's article and the ORS website for more details. Also, as a reminder, the Federal Demonstration Partnership (FDP) has just published updated subaward templates which include templates for both fixed price as well as cost reimbursement subawards. For details, please see the article below.

Thank you to everyone who has registered for the ORS Grants & Contracts Certification programs as well as the faculty from UH Hilo who signed up for the principal investigator workshops to be held at the UH Hilo campus. As ORS continues to enhance our customer services, we appreciate you taking the time to learn more about the research administration policies and procedures at UH. For faculty who are new to the university, understanding the research process at UH can be overwhelming and confusing, but ORS staff is here to help. Please contact your assigned ORS Specialist or ORS Helpline for assistance. In addition the ORS website is also a good resource for information on searching and applying for funding opportunities.

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From the Director's Office (continued)

You may have noticed that the ORS website now has a new look. We hope the new home page makes it easier to navigate the site and locate the information you need. We welcome your feedback to further enhance our site.

Mahalo!
Yaa-Yin Fong
Director

Guidelines for Participating in Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) Programs

A number of federal agencies have programs supporting the research and development activities of small businesses that foster collaboration with university research. ORS is seeing increasing numbers of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) collaborations, both where University of Hawaii (UH) faculty, staff and students are subcontractors of small businesses and where UH faculty, staff and students are themselves the proprietors of start-up companies. UH recognizes the importance of the SBIR and STTR program goals such as stimulating technological innovation and encouraging technology commercialization, both of which increase productivity and economic growth. However, some of these types of activities and the relationships fostered between small businesses and UH faculty, staff and students may give rise to conflicts of interest and/or conflict of commitment issues.

To address these issues, the Vice President for Research and Innovation (VPRI), the Office Technology Transfer and Economic Development (OTTED) and ORS have created these guidelines for SBIR and STTR funded projects.

1. The principal investigator (PI) on subcontracts/subawards to UH and the PI on the SBIR/STTR award to the small business must not be the same individual.
2. UH employees should not be the PI on SBIR awards (SBIR program requires the PI to be primarily employed, greater than 50%, by the small business), without an exception/approval from the Deciding Official (VPRI).
3. The proposed research to be performed at and by the small business must be clearly delineated and distinct from the research to be performed at UH. Additionally, the small business must provide evidence of adequate facilities (e.g., laboratory, office space) to perform the work. The small business may not utilize any UH resources for any of their activities.
4. UH employees (including members of their immediate family) who have ownership interest(s) in the small business receiving a SBIR/STTR award may not conduct or direct research in his/her own laboratory through subcontracts/subawards from that small business.

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Guidelines for Participating in Small Business Innovation and Research (SBIR) and Small Business Technology Transfer (STTR) Programs (continued)

5. All licensing and intellectual property issues must be reviewed by OTTED and agreements must be in place before any UH subcontract/subaward is executed.
6. The implementation of a conflict of interest (COI) management plan may be required when these guidelines are inadequate, and will be determined on a case by case basis.

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

The Office of Management and Budget's (OMB) New Uniform Guidance: Changes of Interest to Principal Investigators/Projects Directors and Research Administrators

December 26, 2014 is an important date. While many of us will be tackling after-holiday sales or gift returns and exchanges, those of us involved with research administration will be coping with the implementation of the new federal Uniform Guidance (UG) on new awards and new award increments made on or after December 26, 2014.

Because each of the federal awarding agencies must establish their own implementation plans which can deviate from the guidelines based on applicable federal statutes or regulations, some of the details will need to be worked out. The following information is based on what we know so far and may change once the agencies' regulations are finalized.

Although there are likely to be several clarifications from the federal government before the implementation date, we'd like to highlight some key changes of interest to principal investigators/project directors and fiscal administrators.

The goals of the UG are to reduce administrative burden for non-federal entities receiving federal awards while reducing the risk of waste, fraud and abuse. These reforms are a key component of a larger federal effort to more effectively focus federal resources on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars in partnership with non-federal stakeholders.

Pre-Award Changes

There are a number of pre-award changes that are expected to simplify grant applications and give faculty a little more time to apply. In addition, they clarify recipient entitlement to F&A and the role of voluntary cost sharing in the application process.

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The Office of Management and Budget's (OMB) New Uniform Guidance: Changes of Interest to Principal Investigators/Projects Directors and Research Administrators (continued)

- **Notice of funding opportunities** must be published in standard format and for at least 60 days under most circumstances.
- **Standardized application forms** approved by OMB should be used by federal awarding agencies.
- **Federally negotiated F&A rates must be accepted** by all federal awarding agencies and passthrough entities unless F&A recovery is limited by federal statute or regulation.
- **A 10% of modified total direct cost (MTDC) rate for subrecipients that have never received a negotiated F&A rate** was established. This is expected to relieve subrecipients and passthrough entities from having to negotiate rates with each other.
- **Voluntary committed cost sharing is not expected** for research proposals and should not normally be considered during merit review of proposals unless required by federal statute or regulation.

Finally, more information on the specific criteria that will be used in evaluating and making awards should be included in the request for proposal or funding announcement. This is expected to provide more transparency in how and why awards were made or denied.

Post-Award Changes

Post-award changes such as performance measurement reporting, prior approval requirements, subrecipient monitoring, and closeout requirements are items that could potentially increase administrative burdens.

Performance measurement reporting. The requirement to relate performance to financial information whenever practicable has not changed. However, the federal awarding agency must require the recipient to use OMB-approved government-wide standard information collections. Performance should be measured in a way that will help the federal awarding agency and other non-federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices (2 CFR 200.301).

Prior federal awarding agency approval requirements. Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from federal awarding agencies. Federal agencies are authorized at their option to waive all prior written approval requirements, except for those related to a change in scope or objective. For non-construction federal awards, prior approval is required for one or more of the following program or budget related reasons:

- Change in the scope or objective (even if there is no associated budget revision that requires prior approval).
- Change in key person specified in the application of the federal award.
- The “disengagement” (instead of “absence”) from the project for more than three months, or 25% reduction in time devoted to the project by the approved principal investigator (PI) or project director (PD). This recognizes that the PI or PD does not need to be physically present to be engaged in an award.

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The Office of Management and Budget's (OMB) New Uniform Guidance: Changes of Interest to Principal Investigators/Projects Directors and Research Administrators (continued)

- Transfer of funds budgeted for participant support costs to other categories of expense.
- The subawarding, transferring or contracting (except for acquisition of supplies, material, equipment or general support services), unless included in the application and funded in the approved federal award.
- Changes in approved cost sharing or matching provided by the non-federal entity.

No other prior approval requirements may be imposed unless a deviation has been approved by OMB. Unless expanded authorities are extended beyond December 26, 2014, prior approval requests from the federal agencies will dramatically increase.

Subrecipient monitoring documentation requirements for PIs / PDs and fiscal administrators (FAs) have increased:

- Perform and document a subrecipient risk assessment to determine the risk of noncompliance by the subrecipient with federal statutes, regulations, and terms and conditions of the subaward for purposes of determining appropriate subrecipient monitoring.
- Document how it was determined that the payee is a subrecipient versus a contractor (currently known as "vendor" until the UG is implemented).
- Monitor the activities of the subrecipient to ensure that the subaward is used for authorized purposes and subaward goals are achieved. Document that performance and financial reports from subrecipients were reviewed and received and relate them to invoices.

Timely closeout of awards has been emphasized. While the guidance directs federal awarding agencies to close out awards within one year of acceptance of all required final reports (i.e., financial, performance, and other reports required per terms and conditions of the award), we believe that this will result in increased pressure for recipients to submit all reports within 90 calendar days after the period of performance end date. In addition, federal funding may be cut off much more quickly during the closeout period.

Effective internal controls must be maintained, documented and followed by recipients. Best practice guidelines (e.g., Committee of Sponsoring Organizations of the Treadway Commission (COSO) and federal Green Book) have been provided.

Costing Principle Changes

There are several costing principle changes of interest. While some appear to relax the rules, we suggest that caution be exercised because they are new, and recent federal audit findings indicate that they will continue to be scrutinized.

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The Office of Management and Budget's (OMB) New Uniform Guidance: Changes of Interest to Principal Investigators/Projects Directors and Research Administrators (continued)

Administrative & clerical support - One of the promising developments of the UG is the perceived relaxation of the rules on direct charging of administrative and clerical support to federal grants. A key difference between the old guidance and the new guidance is the elimination of the “major project” concept in favor of “integral” to the project. In the past, exceptions would have to be justified on first being a major project per Exhibit C and second on the project requiring an extraordinary amount of support.

If you anticipate requiring administrative support for your project, we recommend the following:

- Consider specifically what kind of help you need and how it advances the work under your project. For example, does your project rely on having approved protocols? If so, how will this person help you manage and develop protocols to meet deadlines? What about related reporting responsibilities (e.g., adverse event reporting)?
- If you are going to need the person to also perform some financial management duties related to purchasing, travel and financial reporting make sure that the duties are incidental.
- Explicitly budget for the position in the proposal. Make sure to provide a brief justification.

Compensation - personal services – It is now clearly stated that payroll charges to federal awards must be only for the proportionate share of an employee’s Institutional Base Salary as consistently defined by the university. Limitations for extra service pay such as overload remain and have been tightened up to require consistency amongst all sources of funds.

Terminal vacation leave – Unused vacation at the time of termination of employment is unallowable as a direct cost to federal awards. While the guidance does not specifically refer to the method, a terminal vacation leave fringe rate can be used. This change will affect fringe benefit charges for project employees hired through the Research Corporation of the University of Hawaii.

Computing devices – Computing devices such as laptops, netbooks, smart phones, and tablet computers are now allowable as direct charges provided that they are essential and allocable, even though not solely dedicated, to the performance of a federal award. Although this is new guidance, prior federal audit findings suggest that documentation and justification that such devices are, in fact, *essential* to the performance of the federal award will remain a concern. It is also important to note that while the federal government chose not to prescribe inventory and security measures, it expects that applicable state and university policies will be followed.

Conferences – A major change is that costs such as meals and refreshments are allowable only when the primary purpose of the meeting is to disseminate technical information *beyond the non-federal entity* and necessary and reasonable for successful performance under the federal award. This is interpreted to mean that such costs would not be allowable unless persons from outside entities such as collaborators, beneficiaries or the general public are conference participants.

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The Office of Management and Budget's (OMB) New Uniform Guidance: Changes of Interest to Principal Investigators/Projects Directors and Research Administrators (continued)

Participant support costs – Participant support costs are allowable with prior approval on conferences or training projects. This is also interpreted to mean that the MTDC exclusion for participant support costs applies only to conference grants or training grants.

Publication and printing costs – The guidelines now recognize that publication costs can be incurred outside the period of performance of the award. However, be aware that the costs must be charged to the award before closeout of the award. This might be interpreted to mean that the costs should be incurred before closeout. So timing will be essential.

In summary, the new uniform administrative requirements are a mixed bag. There have been some improvements but added burdens may also be on the horizon. ORS will continue to monitor the situation and update the university on UH's plan to implement the new federal requirements when more information becomes available.

Should you have any questions, please contact Kevin Hanaoka, Cost Studies Manager at hanaokak@hawaii.edu or (808) 956-9242, or Dawn Kim, Compliance Manager at dawnkim@hawaii.edu or (808) 956-0396.

Federal Demonstration Partnership (FDP) Subaward Template Update

The Federal Demonstration Partnership (FDP) has recently revised the subaward templates that the University of Hawaii uses as documentation of awards made to subrecipients. The FDP forms may be found through the ORS website here: <http://www.ors.hawaii.edu/index.php/forms>.

One major change is the creation of two different templates – one for cost-reimbursable subawards, and the other for fixed price subawards. Please use the appropriate forms for your subaward type. As a reminder, while cost-reimbursable subawards may be issued at any time, a fixed price subaward may only be issued in the event that the prime award (i.e., UH's award from the extramural sponsor) is also fixed price.

The basic terms and conditions of both templates are similar to the templates that UH has been using over the last few years. Major changes to the cost-reimbursement template (and included in the fixed price template) are:

- Added field for Federal Award Identification Number (FAIN)
- Removed American Recovery and Reinvestment Act (ARRA) field
- Added cost sharing field
- Added unilateral modification language
- Expanded audit language

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Federal Demonstration Partnership (FDP) Subaward Template Update (continued)

Otherwise, the primary differences between the cost-reimbursable and fixed price templates are (1) the different payment terms (due to the different payment types); and (2) the Office of Management and Budget (OMB) A-133 language in the cost-reimbursable Attachment 1 is called “Access to Records” in the fixed-price Attachment 1.

Please feel free to contact your assigned ORS Specialist (<http://www.ors.hawaii.edu/index.php/ors-assignments>) if you have any questions regarding the new templates when it is time to set up a new subaward.

Reminder: Establishing New Principal Investigator (PI) Role Code in the Kualifinancial System (KFS)

To prevent delay in establishing new project accounts in the Kualifinancial System (KFS), principal investigators (PIs) are reminded to set up the appropriate role code in KFS as soon as possible. ORS accounting cannot set up the project account until the PI responsible for the project has been established in KFS. To avoid unnecessary delays in establishing project accounts, “KFS Security Form FSO Form 40 (User Role Definition)” should be completed for all new PIs. ORS accounting suggests that this form be completed and submitted for new PIs as soon as possible, ideally prior to submitting proposals, so that there is no delay after the award is executed in establishing the project account in KFS. This form is available online as a fillable pdf file at this address: <http://www.hawaii.edu/kualifinancial/?page=forms&showSubMenu=forms>

Instructions for completing FSO Form 40 are located at the same web address. Project Director (Role 40) is one of the Campus Roles in Section B of the form that is selected for PIs.

If you have any questions regarding this process contact Bob Roberts, Project Fiscal Accounting Manager at rroberts@hawaii.edu or (808) 956-6959.

Responsible Stewardship of Extramural Awards

ORS would like to remind principal investigators (PIs) and administrators that as an institution receiving extramural awards, the University of Hawaii (UH) is committed to being a responsible steward of these awards.

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Responsible Stewardship of Extramural Awards (continued)

As a part of responsible stewardship, ORS is responsible for notifying PIs and department administrators of award requirements to ensure compliance with all of the sponsor's award terms and conditions. The university is also responsible for reporting to the funding agencies any significant problems (e.g., adverse events, unanticipated problems with facilities, personnel, or laboratory resources, including human and animal subjects and fiscal or budgetary concerns) which have the potential to impede attaining the goals of an award. Article 51 of the Office of Management and Budget Circular A-110 states: "*Recipients shall immediately notify the Federal awarding agency of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of an award.*"

In order to ensure that UH meets its reporting responsibilities, should a PI run into significant problems, project delay/difficulties, or compliance issues, the PI has the responsibility to notify ORS who, in turn, may be required to alert the funding agency. Information that ORS shall report to the funding agency may include a description of the problem and any proposed solutions which have received the appropriate concurrence or approval from the campus chancellor or Vice President for Research and Innovation.

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

Principal Investigator (PIs) Workshops – Open for Enrollment

Looking for grant funding opportunities or assistance with *myGRANT* functions? This workshop is ideal for faculty who are NEW to UH's 10 campuses, but would also be helpful to those who wish to refresh their knowledge of Pivot and *myGRANT*. Each workshop contains two sessions. Participants can sign up for the entire workshop or for individual sessions, if they prefer.

Session 1: To familiarize users with UH research administration and the UH funding search tool "Pivot". UH Investigators using Pivot's funding opportunities database, can now start using its new profile editing system to update their profiles.

Session 2: To familiarize users with *myGRANT* system functions. We will also assist users with creating a "master" proposal development record which can be used as a template for future proposals in *myGRANT*. (**Participants will need to bring a charged laptop or iPad to this session.**)

Tuesday, October 21, 2014 (Manoa - Kuykendall 201, HITS Room)

Session 1: 12:30 – 1:30 p.m. - Search for Funding Opportunity using "Pivot"

Session 2: 1:30 – 3:30 p.m. - *myGRANT* Proposal Creation (bring a charged laptop or iPad)

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Principal Investigator (PIs) Workshops – Open for Enrollment (continued)

Friday, October 24, 2014 (Manoa - Kuykendall 201, HITS Room)

Session 1: 12:30 – 1:30 p.m. - Search for Funding Opportunity using “Pivot”

Session 2: 1:30 – 3:30 p.m. - *my*GRANT Proposal Creation (bring a charged laptop or iPad)

DISTANCE ATTENDANCE AT THE FOLLOWING LOCATIONS:

Honolulu CC – Building 2 Room 201
Kapiolani CC – Naio Building Room 207
Leeward CC – Learning Commons Room 108B
UH West Oahu – Library Room B-157
Windward CC – Akoakoa Room 113A
Kauai CC – Learning Resource Center, Room 122
UH Maui College - Ka’aike Room 105 A
UHMC Molokai Education Center – Room 103
UH Hilo - Media Services Room 359
UH Center at West Hawaii – Building 4 Room 3

REGISTRATION PROCEDURES:

[REGISTER HERE:](#)

You will be asked to choose:

- Date
- Workshop(s)
- Attendance Site

UH Hilo Principal Investigator (PI) Workshops— Open for Enrollment

ORS will be on the UH Hilo campus on **September 24 and 25, 2014** to once again offer the following workshops for principal investigators (PIs):

- **Faculty Session -**

This workshop will provide you with an overview of the services provided by ORS and the ORS Hilo Service Center, and there will be a question and answer period during which you may raise any questions or concerns you may have.

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UH Hilo Principal Investigator (PI) Workshops (continued)

- **PI Orientation -**

This workshop will familiarize users with UH Hilo “Intent to Apply” form, *myGRANT*, the official UH electronic research administration system, as well as Pivot, the UH funding search tool. This workshop is ideal for faculty who are NEW to the UH system, but is also helpful for those who wish to refresh their knowledge of Pivot and *myGRANT*. You will learn how to search for funding opportunities in the Pivot system, as well as how to submit a proposal through *myGRANT*.

Participants will need to bring a charged laptop or iPad to this session.

Please **RSVP** for the sessions you will be attending by emailing Melanie Leong at mmleong@hawaii.edu so we can make sure to accommodate everyone. The deadline to RSVP has been extended to **Monday, September 22, 2014**. Should expected attendees exceed the room capacity for a session, a larger venue may be arranged and announced.

9/24/14 Wed.	K104	11:30 AM - 1:00 PM	Faculty Session 1 (Brown Bag)
9/24/14 Wed.	K104	1:30 PM - 3:00 PM	Faculty Session 2
9/24/14 Wed.	K104	3:00 PM - 4:00 PM	PI Orientation - Pivot & <i>myGRANT</i>
9/25/14 Thur.	LPLH 1	8:30 AM - 10:00 AM	Faculty Session 3
9/25/14 Thur.	UCB 111	10:00 AM - 11:30 AM	PI Orientation - Pivot & <i>myGRANT</i>
9/25/14 Thur.	UCB 111	11:30 AM - 1:00 PM	Faculty Session 4 (Brown Bag)

ORS Helpline Frequently Asked Questions

How do I check on the status of a new award?

You can use the “Award Status” tool found on the ORS website:

<http://www.ors.hawaii.edu/index.php/award-status>

Once you log in with your UH username and password, use the “Search” box to find the principal investigator (PI) of the award you are checking on. Once the PI name shows up in the “Results” box, use the “Insert” button to add it to the “Choice” box. You can continue adding more PIs or click the “Run” button at the bottom of the screen. The award status should show once the query completes.

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ORS Helpline Frequently Asked Questions (FAQs) (continued)

Is the University of Hawaii a 501(c)(3) non-profit organization?

No, the University of Hawaii does not have a 501(c)(3) non-profit tax status. As an instrumentality of the state, UH is exempt from federal and state income tax in accordance with Internal Revenue Code §115, and does not meet the requirements to be designated as a 501(c)(3) non-profit organization.

Do you have a Question or Comment for ORS?

Please feel free to contact us at the ORS Helpline:

Emai: helpline@ors.hawaii.edu or Phone: (808) 956-5198