

RP 12.207 - Research Corporation of the University of Hawai'i

Language was revised in 12.207 I. to reflect that the purpose of the RP is to set forth policy regarding the University's relationship with the Research Corporation of the University of Hawai'i (RCUH) and the conditions for service ordering university funds to RCUH.

Original language: To set forth policy regarding the establishment of RCUH and its relationship to the university.

Proposed language: To set forth policy regarding the relationship between the university and RCUH and the Board conditions for service ordering University funds to RCUH.

Due to the differences between service orders of extramural funds and institutional funds, policy specific definitions have been added to help clarify the RP.

Proposed language: A. Extramural contracts and grants – Refers to external sponsorship of research, training or other activities via a contract, grant or other agreement. In the context of this policy, extramural contracts and grants shall also include Federal formula funds and student financial aids.

B. Institutional funds – Refers to funds appropriated to the university such as general funds, research and training revolving funds (RTRF) and tuition and fee special funds. It also includes other non-extramural funds such as bond proceeds. Institutional funds are exempt from RP 12.207 III.C.1 when they will be used for mandatory cost sharing or matching purposes.

C. Mandatory cost sharing or matching – Refers to a sponsor imposed requirement to share or match institutional funds in order to receive sponsor funds under a grant or other agreement.

D. Research or training project – Refers to research, training or other activities that are funded by external contracts and grants or through an application of institutional funds. Examples of institutional funds that are for research and training projects include a formal seed money grant program as well as projects funded by separately accounting for an academic or research units' appropriated funds such as RTRF or unrestricted gifts toward pilot projects or faculty start-up costs.

E. Service order – a formal request by the University to utilize RCUH services to assist the University in carrying out its instruction, research, training, or public service mission.

F. University funds - Refers to extramural contracts and grants and institutional funds received by the University.

Language was added to 12.207 III.A to reflect that RCUH was in part established by state statute to facilitate the research and training efforts of the University. While this is a large part of RCUH's mission, it is not its only mission according to the Hawai'i Revised Statutes (HRS). Language regarding the composition of the RCUH board was removed because the HRS determines the composition (i.e., number of members, representation and whom has the power to appoint members) and the HRS may change. Because the intent of the section is to describe the relationship between the University and RCUH, it was only necessary to note that members of the university would be on the board.

Original language: The RCUH was established by state statute to facilitate the research effort of the University of Hawai'i. It is a corporate body governed by an independent board, separate from the

university. A statutorily determined number of members of the board also comprise the RCUH board. The chairperson shall assign board members to the RCUH board annually.

Proposed language: The RCUH was established by state statute, in part, to facilitate the research and training efforts of the University of Hawai'i. It is a corporate body governed by an independent board with members of the university community.

Language under 12.207 III.B was revised to reflect that extramural contracts and grants are service ordered to RCUH, which include training and other activities, not just research.

Original language: The university service orders research and training contracts and grants to RCUH. However, RCUH shall not be used to circumvent statutes, board policies, contracts, settlements, or regulations.

Proposed language: The University service orders extramural contracts and grants to RCUH. However, RCUH shall not be used to circumvent statutes, Board policies, contracts, settlements, or regulations.

Language under 12.207 III.C was revised to emphasize the Board's interest in monitoring service orders of institutional funds, which should normally be used for the direct support of research or training projects. This includes associated mandatory cost sharing or matching.

Dollar thresholds were removed so that they would reference and be consistent with the regular Board thresholds for prior approval before transactions could occur under RP 8.201, Contracts and Official Documents.

In addition, because the one-year limitation on RCUH employment was removed by the Board in 2005, it is removed from the RP to avoid confusion.

Original language: Service ordering to RCUH shall be for the direct support of a research or training project and shall not include major construction (CIP) and repair and maintenance (R&M) projects, employment of any person in excess of one year, purchases in excess of \$500,000 (total value), as a means to supplement existing university contracts or salaries, and contracting of services exceeding \$500,000 in total value unless prior board approval is obtained.

Proposed language: Service ordering of institutional funds to RCUH shall be for the direct support of a research or training projects, including mandatory cost sharing or matching.

1. Prior board approval is required for service ordering of institutional funds for:
 - a) Major construction (CIP) and repair and maintenance (R&M) projects in accordance with the threshold delineated in RP 8.201, Section B.1;
 - b) Purchases of goods or services in accordance with the threshold delineated in RP 8.201, Section III.E.1; or
 - c) Consultant contracts in accordance with the threshold delineated in RP 8.201, Section III.C.1.

Language was revised under 12.207 III.D and split into two sections to clarify the existing section. When the RP was adopted in 2002, extramural grants and contracts were already automatically service ordered since 2000 and Board approval was unnecessary. Thus, the original intent was to require

approval for service orders of institutional funds. There is also confusing language that actually refers to RCUH direct projects contained in the original RP. University extramural proposals and awards should be processed through the Office of Research Services. Only in exceptional circumstances should a University project be processed as an RCUH direct project. By separating the topics, we believe that the intent of the policy is clear.

Original language: No university funds, regardless of source, shall be directed to RCUH or any external agency without being received by the university's office responsible for the administration of research and training grants and contracts. Upon receipt, a determination by the university shall be made as to service ordering to RCUH based on this policy.

Proposed language: D. Extramural proposals and awards must be processed by the University's office responsible for the administration of research and training grants and contracts. Proposals may not be submitted via or awards made to RCUH on behalf of the University unless the President or the President's designee has made a determination that the research or training project should be processed as an RCUH direct project and RCUH has accepted the responsibility.

E. In the case of institutional funds, requests to service order to RCUH must be received by University officials delegated with approving authority to make such determinations by the President or the President's designee. Upon receipt, a determination by the University shall be made as to service ordering to RCUH based on this policy.

Language was revised under 12.207 III.E was revised and renamed 12.207 III.F to clarify that the Board executes the management agreement with the RCUH board and that the President annually reviews the document.

Original language: The board shall execute a document of relationship between the university and RCUH delineating the parameters of service to be rendered. This document shall be reviewed annually to allow for periodic amendments as necessary.

Proposed language: The Board shall execute a document of relationship between the University and RCUH board delineating the parameters of service to be rendered. This document shall be reviewed annually by the President to allow for periodic amendments as necessary.