




April 13, 2026

MEMORANDUM

To: President
Vice Presidents
Interim Provost and Chancellors

From: Chad B. Walton 
Interim Vice President for Research and Innovation

Subject: **Documentation Requirements for RTRF Carryover Requests and
Reminder of Statutory Requirements**

Under Executive Policy EP 12.216, *Research and Training Revolving Fund (RTRF)*, all allocations and use of RTRF must be managed to ensure compliance with Hawai'i Revised Statutes Section 304A-2253, and related Regents Policy RP 12.210.

EP 12.216 Section III.C.4.a specifies that RTRF allocations that are unexpended, unencumbered, or uncommitted beyond the allowable period are subject to return to a central administration account, with extensions granted only upon submission of appropriate documentation of commitments or encumbrances and approval by the Vice President for Research and Innovation.

In compliance with this policy, effective immediately, all requests to carry over RTRF funds (including requests for extensions of time to expend previously allocated RTRF) must include the following documentation at the time of request:

- Current RTRF account balance for each relevant account (as of the most recent closed month)
- A clear listing of all commitments against the account (description, amount, and expected timing of expenditure).
- A listing of all encumbrances recorded in UH's official financial system for the account.

These requirements are being implemented to ensure that UH is in full compliance with the principles of allocation and control in EP 12.216, including the expressed intent to “minimize the creation and accumulation of contingency reserves,” and to manage RTRF in a transparent

and accountable manner. The information collected will be used to provide a clearer picture of how RTRF is being planned and utilized throughout UH, particularly in light of possible future changes in indirect cost rate calculations currently being proposed or considered by various federal agencies.

To be clear, changes to UH's RTRF policy are not being considered at this time. This action represents only the consistent application of existing policy and the addition of documentation requirements for RTRF carryover and extension requests. If changes are required as a result of revisions to indirect cost rate calculations in the future, any proposed revisions to RTRF policy will follow the consultative and advisory processes outlined in EP 12.216 Section III.C.3. (Principles of Allocation and Control), including engagement with the Vice President for Research and Innovation's Advisory Group.

As a reminder, Section 304A-2253, Hawaii Revised Statutes, authorizes the RTRF and limits the use of its revenues to: (1) research and training purposes that may result in additional research and training grants and contracts, (2) facilitating research and training at UH, and (3) further deposit into the discoveries and inventions special fund. All expenditures of RTRF funds must conform to these statutory purposes, as well as to applicable UH policies, Board of Regents policies (including RP 12.210, Research and Training Revolving Fund), and all other relevant state laws and regulations governing UH funds.

Principal investigators, fiscal officers, and account administrators are responsible for ensuring that all RTRF expenditures are: (1) allowable under Section 304A-2253, HRS, (2) consistent with EP 12.216 and RP 12.210, and (3) properly documented in UH's financial system. Units should review their existing RTRF balances, commitments, and encumbrances and be prepared to provide the required information when submitting carryover or extension requests.

A Frequently Asked Questions (FAQ) page is attached and can also be found online at <https://go.hawaii.edu/Eyi>. Please direct questions regarding these requirements or the preparation of carryover documentation to the Office of the Vice President for Research and Innovation at 808-956-5006 or uhovpri@hawaii.edu.

Attachment (1)

University of Hawai'i
Research and Training Revolving Fund (RTRF) Policies
Frequently Asked Questions

Applicable UH policies & statutes

[RP 12.210 Research and Training Revolving Fund](#)

[EP 12.216 Research and Training Revolving Fund](#)

[HRS §304A-2253 Research and training revolving fund](#)

Purpose and scope

Does this represent a change in RTRF policy?

No. The accompanying memo clarifies that this is to ensure the consistent application of existing EP 12.216 and RP 12.210 requirements, plus additional documentation needed for carryover and extension requests; no changes to the underlying RTRF policy are being implemented at this time.

What problem is this trying to solve?

The documentation and RTRF Balance Tracker template are meant to reduce unplanned accumulation of RTRF contingency reserves, improve transparency in how RTRF is planned and used across the UH System, and support compliance with statutory limits on allowable RTRF expenditures.

Policy and compliance

What policy requires this documentation?

EP 12.216, *Research and Training Revolving Fund*, requires that unexpended, unencumbered, or uncommitted RTRF beyond the allowable period either be returned to a central account or supported by approved extensions with appropriate documentation; this is grounded in HRS 304A-2253 and RP 12.210.

What are allowable uses of RTRF?

HRS 304A-2253 limits RTRF expenditures to three purposes: (1) research and training that may result in additional research and training awards, (2) facilitating research and training at UH, and (3) further deposit into the discoveries and inventions special fund.

What are examples of allowable and unallowable RTRF expenses?

Allowable expenses include items like principal investigator startup costs, seed grants, proposal development, graduate student and postdoc support, core facility costs, shared equipment, research computing, and lab renovations that clearly support research and training. Unallowable uses include general administrative overhead not tied to research facilitation, purely instructional activities, student services not related to research or training awards, and non-research building construction or renovations.

Who do we submit required documentation for carryover requests to?

Requests for carryover should be submitted to your campus' Chief Business Officer or Chancellor's Office who will review and submit the request to OVPRI at uhovpri@hawaii.edu.

What happens if we do not submit the required documentation?

All RTRF allocations that remain unexpended, unencumbered, or uncommitted beyond the allowable window without complete supporting documentation and an approved extension are subject to return to a central administration account as specified in EP 12.216.

Commitments, encumbrances, and carryover

What is the difference between a commitment and an encumbrance?

A "commitment" is funding set aside for a specific future purpose that has not yet gone through the UH's formal encumbrance process, while an "encumbrance" is funding formally reserved in the financial system through purchase orders, appointments, or contracts.

Can you provide examples of commitments?

Examples of commitments include planned equipment purchases without a purchase order (PO), anticipated travel, and budgeted supplies or services for future periods that have not yet been ordered or encumbered.

Can you provide examples of encumbrances?

Encumbrances are defined in the standard KFS User Documentation as follows: “A reservation of funds to cover obligations arising from purchase orders, contracts, salary commitments, etc. that are chargeable to, but not yet paid from, a specific account. Encumbrances project future expenditures and provide fiscal officers with a more accurate representation of an accounts available balance.”

For UH specifically, encumbrances, including contracts, are made using PO's. UH does not encumber payroll in KFS. Thus, salary commitments made on Payroll Notification Forms (PNFs) in PeopleSoft, would need to be manually recorded in the RTRF Balance Tracker template. RTRF funds are charged for fringe costs, so the commitment should include an estimated amount of fringe costs in addition to the salaries.

How is “available balance” defined in this context?

“Available balance” is calculated as beginning balance plus allocations received, minus actual expenditures, minus total encumbrances, minus total commitments in the account.

What documentation is required for an RTRF carryover or extension request?

Requests must include: (1) a current account balance as of the most recent closed month, (2) a clear listing of all commitments with descriptions, amounts, and expected expenditure dates, and (3) a listing of all encumbrances from the UH's financial system.

How long can RTRF funds remain unspent before they must be returned or justified?

EP 12.216 Section III.C.4.a. requires that allocations unexpended, unencumbered, or uncommitted beyond the permitted one-year period be returned to the central account unless an extension request, with required documentation, is submitted and approved by the Vice President for Research and Innovation prior to the end of the fiscal year.

Who approves extensions of time to expend RTRF?

Per EP 12.216 Section III.C.4.a., extensions are approved by the Vice President for Research and Innovation upon review of the required documentation for commitments and encumbrances.

Using the RTRF Balance Tracker

Why are we being asked to use this RTRF Balance Tracker template?

The [template](#) is intended to help principal investigators, fiscal officers, and account administrators track RTRF balances, commitments, and encumbrances in a consistent way that meets EP 12.216 Section III.C.4.a. documentation requirements for carryover and extension requests. A modified template may be proposed but must be approved by OVPRI.

Who is expected to maintain the RTRF Balance Tracking template?

Principal investigators, fiscal officers, and account administrators are responsible for ensuring that RTRF expenditures are allowable and properly documented, and they should jointly maintain the tracker as a working tool for each RTRF account.

How often should the tracker be updated?

The Instructions sheet recommends monthly reconciliation using the most recent balance from the financial system, along with regular updates to commitments and encumbrances as they are created or completed.

How does the tracker relate to the UH's financial system (e.g., Kuali Financial System or KFS)?

The tracker does not replace the official financial system; instead, it pulls in current balances and encumbrance information from those systems and adds a structured record of commitments and planned uses to meet documentation requirements.

Please note that according to the master agreement between UH and RCUH, UH's financial system is the official system of record. Unlike extramural awards, there is no data feed from RCUH to UH to populate data in KFS (e.g., encumbrances) for internal service orders. Expenditure data is posted to RTRF accounts in KFS once RCUH invoices are paid.

Advance payments to RCUH are not considered expenditures or encumbrances for the template. Any payments made under object code 7232 RCUH Expense/Advance must be reversed out. Payments made in the RCUH financial system, but not yet invoiced to UH or RCUH encumbrances should be recorded. For verification purposes, the RCUH account number and PO number or payment document number should be included in the template.

What are the different sheets in the workbook and how should they be used?

The FY2026 Tracking sheet is the primary working page for the current year; the FY2025 History sheets store prior-year records for audit and trend analysis; and the multi-year summary sheet provides a high-level view of allocations, expenditures, carryover, and policy compliance across multiple years. A copy of the FY2026 Tracking sheet should be made and used for future years. Instructions are included in the template.

How do we document carryover justifications in the template?

The FY2026 tracking sheet includes a carryover justification section to document the reason for any carryover request, the amount requested, specific plans for use, and expected completion date; this should be completed before submitting a carryover or extension request.

Do we need to keep historical years in the same workbook?

Yes. The instructions recommend copying the current year data to the appropriate history sheet at year-end and maintaining multi-year data in one workbook to support audits, trend analysis, and institutional reporting.

Operational details and support

Will this affect how much RTRF my unit receives?

The accompanying memo states that no RTRF policy changes are being made at this time; the focus is on documentation and consistent application of existing policy, not on directly changing allocation formulas, although better data may inform future institutional planning.

How will the information collected be used centrally?

The information will provide a clearer picture of how RTRF is planned and utilized system-wide, support transparency and accountability, and help the UH respond to possible future changes in federal indirect cost rate calculations.

Are there special considerations for cost-sharing, start-up packages, or multi-year plans?

The template includes fields for cost-sharing and start-up costs and is designed to capture multi-year commitments and carryover, so these costs should be explicitly listed with appropriate descriptions, amounts, and timelines.

The amounts should reflect only planned RTRF spending within the next one to two years. An exception may be made for a planned major renovation or equipment purchase within the next five years. Amounts that will be paid from general funds, tuition and fee special funds, or other funds should not be included.

Finally, only cost sharing for existing awards should be included. Cost sharing on proposals that have not been awarded are not considered commitments. For verification purposes, please include the myGRANT award ID, KFS award ID, or sponsor award number.

Who do we contact with questions or for help using the template?

Questions about the requirements or how to prepare carryover documentation should be directed to the Office of the Vice President for Research and Innovation (OVPRI) at 808-956-5006 or uhovpri@hawaii.edu.

Will there be training or additional guidance?

All campuses and units are encouraged to review their RTRF balances, commitments, and encumbrances regularly, and can contact OVPRI for further guidance.