Grants Administration Procedures
Title III Shared Services Center

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Grants Administration Procedures for Kapi‘olani Community College

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Summary:
In the absence of formal grants administration procedures, this draft serves as a recommendation for parameters and guidelines for grants administration at Kapi‘olani Community College. These procedures do not supersede university policies, federal and state laws, administrative rules, and other formal terms and conditions which the campus personnel must abide by.

I. Purpose:
In accordance with UH Administrative Procedure (hereinafter, “AP 8.926”), this campus procedure is to ensure that appropriate UH personnel understand and comply with all administrative and financial management requirements for extramural contracts and grants. Special emphasis is placed on full compliance with mandatory sponsor requirements.

II. Definitions:
Funds subject to these procedures are generally defined as coming from extramural sources. These do not include funds currently managed exclusively by the University of Hawai‘i Foundation. These do not include financial aid accounts originating from external sources.

III. Campus Procedure
A. Objectives: The fiscal stability of Kapi‘olani Community College depends on responsible and ethical uses of extramural funding received in exchange for a specified purpose to carry out project deliverables and other obligations. The purpose of a Grants Administration Procedure is to set parameters and guidelines for principal investigators and project staff to responsibly manage extramural funds to carry out the broader mission of Kapi‘olani Community College.
B. Background: Kapi‘olani Community College receives funding from a variety of external sources to achieve goals set forth in the Strategic Plan and carry out the campus mission. These sources include federal, state, foundation, private and other extramural revenue sources.
C. Account Set Up: After formal notification of award, accounts and budget should be input into the Kuali Financial System by the Office of Research Services (ORS). Notification of the set up is emailed to the Principal Investigator (PI) for the account.
D. Advance Accounts: Advance accounts may be established under special circumstances, with prior approval by the Chancellor and fiscal authority. Principal investigators with a demonstrated need to establish an advance account at the campus’ expense, subject to future reimbursement by extramural funds, must submit a formal request pursuant to Administrative Policy 8.952, Advance Funding Accounts for Externally Finance Programs and Activities. The duration of advance accounts should be no more than three months and 25% of the grant award funding.
E. **Hiring:** Principal investigators may hire employees on project accounts as approved by the sponsor. PIs are encouraged to contact the Title III shared services center to provide recommendations on recruiting positions to achieve grant objectives. Recruitment for positions may be conducted through the University of Hawai‘i through the corresponding unit’s personnel officer, or through the Research Corporation of the University of Hawai‘i. PIs are advised to contact the personnel officer for recruitment of University employees - civil service, faculty, APTs. PIs may recruit through RCUH for positions requiring research and training, as well as for projects requiring an expedited recruitment timeline.

F. **Procurement:** Goods and services may be procured on project accounts. Principal investigators are subject to applicable procurement requirements set forth by the UH Office of Procurement and Real Property Management (OPRPM) and the Research Corporation of the University of Hawai‘i. The campus grants administrator should be contacted where there are inquiries regarding the appropriate system through which to procure goods and services. Additional sponsor restrictions may apply. Private foundation award policy statements may include requirements that are more restrictive than federal guidelines outlined in the Uniform Guidance. State and local government contracts may require prior approval from the sponsor for changes in project or budget expenses. Awards made on a cost-reimbursement basis (i.e., First to Work with Department of Human Services) may require costs to be incurred by the campus from a designated account prior to the release of extramural funding.

G. **Award Management (updated 9/30/2017):**

The following links will help PIs become more familiar with common issues and transactions associated with extramural award management. Referred to as “post-award” actions, the following are transactions taking place after an award is made to the University of Hawai‘i on behalf of the PI. The primary goal in post-award administration is to facilitate effective and accurate management of project funds. Successful award management will minimize risk to the institution for audit scrutiny. These links are maintained by the UH System by the Office of Research Services.

a. Allowable, Allocable & Reasonable Costs  
b. Cost Transfers  
c. Subrecipient Monitoring  
d. Rebudgeting & Prior Approvals  
e. Cost Sharing  
f. Cost Sharing Recording  
g. Post Award Termination Form  
h. Invoice Letter of Credit  
i. Award Extensions  
j. Principal Investigator (PI) Award Transfer Procedures  
k. Responsible Stewardship of Extramural Awards  
l. Cash Balance Reconciliation Guide  
m. Financial Conflicts of Interest  
n. Government Property Management Plan  
o. Fly America Act  
p. Cost Transfers  
q. Cost Sharing Recording  
r. Training manuals
H. Regular auditing of accounts: Monthly reports of active accounts will advise the grants administration staff on which projects require follow up. Principal investigators and project staff will be contacted on a quarterly basis to monitor active accounts according to the following general plan.
   a. First quarter (months 1-3) - share account balance; principal investigator to send spending plan detailing encumbered expenses and corresponding project objectives; principal investigator proposes timeline for spending; initial risk assessment is conducted; cost-share and in-kind obligations are noted
   b. Second quarter (months 4-6) - check in and progress update for spending plan
   c. Third quarter (months 7-9) - mid-year progress report; adjust spending plan as needed
   d. Fourth quarter (months 10-12) - principal investigator advises on budgeting needs, including reallocation of funds, adjustments, etc.

IV. Account Closeout (updated 9/30/2017):
PIs should consult with the grants administrator regarding the applicable requirements and deadlines for account closeout. The following links will address specific procedures that occur with any outstanding expenses and liens; unspent funds requiring reimbursement to the sponsors; final review submitted to the sponsor. The Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations (A-110) provides applicable guidelines for most publicly-funded awards, including federal awards and federal flow down awards.

A. Closeout Procedures
The following are based off of close out procedures for a grant from the Office of Research Services (ORS) website.

B. Roles & Responsibilities
All parties need to work collaboratively in the closeout process.
   a. Principal Investigator (PI): ensures compliance with award terms, completes all required reports (technical, invention and cost sharing reports).
   b. Fiscal Administrator (FA): assists PI in ensuring project costs are allowable, allocable, and reasonable in a timely manner to Kuali Financial System. Confirms final expenditures for project account. Provides approval and detailed schedules for final invoice or reports.
   c. Dean of Director: ensures PI and FA carry out closeout date duties. Assists PI in securing alternative funding if deficits occur.
   d. ORS Responsibilities: issues courtesy reminders to PI and FA via the “Closeout Notice Mailbox”. The submit financial reports to sponsor and coordinates/endorse report submissions. They inform dean/director of problems with closeout and pursue accounts receivable collections.
C. Due Dates and Timeline
   a. Careful attention to deadlines is necessary for a successful closeout process.
      2. Other Sponsors: May be shorter closeout period (60, 45, 30 days), and may have their own specific format for reporting and invoicing.
      3. Confirmation of closeout by a Fiscal Administrator to ORS is typically due 30 days before a (standard) report due date of 90 days. Due (to ORS) 20 days before a report due date of 60-89 days. And (to ORS) 15 days before any reports with a due date of 60 days or less.

D. Closeout Reports
   a. For Final Technical Reports, if an ORS endorsement is needed, the PI needs to send the original report plus one copy to their assigned ORS Grants Specialist (ORSGS). If ORS endorsement is not necessary, PI’s simply provide their ORSGS with a copy of the transmittal, including the date of submission and where report was sent.
   b. For Final Invention Statement or Final Patent Report, PI’s need to send the original report plus one copy to their assigned ORSGS for signatures and submission by ORS to the sponsor.
   c. For Final Inventory or Property Reports, PI’s need to request a report from the UH Property and Fund Management Office (PFMO) and notify assigned ORSGS on the day that the report was filed with the sponsor.
   d. For Financial Reports, final invoices and standard reports are completed by the ORS Fiscal Accounting Section. They will include confirmation of final expenditures by the Fiscal Officer. Also included are Release and Assignment reports that must be ORS certified.

E. Accounts Receivable Collections
   a. Collection letters are sent to sponsors for any and all unpaid final invoices.
      1. First collections notices go out 2 months after the final invoice was submitted.
      2. Second notice goes out approximately 2 months are the 1st Notice.
      3. Approximately 2 months after the 2nd Notice, a Notification is sent to the Dean or Director.
      4. Finally an account may be sent to a collection agency.
   b. For cash balances, any excess cash received will be returned by ORS to the sponsor in accordance with the award terms. If despite all (previously listed) collection efforts, the accounts receivable is deemed “unrecoverable”, ORS is willing to work with the school or campus to obtain funds or determine a payment plan to reimburse the project account for any and all cash deficits. Typically cash deficits are charged to the School/College or Research Unit’s Research Training and Revolving (RTRF) account or other departmental account provided. If payment is subsequently received by ORS from the sponsor, the account used to cover the deficit will be credited.
F. Fixed Price Accounts

a. Summary: A fixed price contract or agreement is where a predetermined or fixed amount of funds is awarded by the sponsor to complete a decided scope of work. Generally, a fixed price account should be fully spent during the award period. If more than the approved budget is spent, the University is responsible to cover the deficit. Sometimes, there could be a minimal residual balance left at the end of a project. These residual balances may be held by the University.

b. For fixed price account transfers, any and all deficit or residual balances must be transferred to the PI's College, School or department’s Fixed Price control account. Fiscal officers then must submit a request to set up this account with ORS.

c. If the Fiscal Officer would like to request a fixed price transfer to the College, School or department’s account, the following six requirements must be met:
   1. The award has a fixed price contract.
   2. The scope of work is complete and to the satisfaction of the sponsor.
   3. All payments have been received.
   4. All expenses have been recorded in the project account.
   5. The account is ready to be closed.
   6. The project end date has arrived.

Use the Transfer to Department Account Request (click to view) form to request balance transfers. Upon approval of the transfer request, the ORS accountant will prepare a JV to transfer the funds. The FO will be given a copy of the JV.

d. For fixed price account extensions, if there is no specified end date for a project in the award document, an extension for the end date initially established (for the project account) by the University's financial system may be requested if the project is not yet complete.

e. The Internal Account Extension Request (click to view) must be complete and submit to ORS. The new end date should reflect the PI’s best estimate of when (all) project activities will be complete.

f. If there is no end date specified in the award document and the project has been completed, a one-year extension to the project account may be available if the following criteria are met.
   1. The award is a fixed price contract and all project deliverables have been met to the satisfaction of the sponsor.
   2. All project funds have been received from the sponsor.
   3. All project expenses have been charged to the project account.

g. PI’s will have one-year following the submission of the final project deliverables to spend any residual funds on project related activities. If there are still residual funds left after the one-year period, the balance will be transferred to the College, School or departmental account.
Dissemination plan:
In order for these procedures to take effect, the Chancellor will adopt these recommendations in consultation with the Title III shared services center and campus fiscal authority.

1. Provide briefing to Administrative Staff; request feedback
2. Share revised draft with Principal Investigators, Project Staff, and campus fiscal authority for feedback
3. Share revised draft with Chancellor’s Advisory Council for endorsement
4. Obtain Chancellor’s Approval
5. Share approved procedure directly with current PIs
6. Post approved procedure to Kapi‘olani Community College Bulletin
7. Post to ‘Ohana website Policies section

References:
Executive Policies - Executive Policies Chapter 8 Business and Finance
https://www.hawaii.edu/policy/index.php?action=viewChapter&policySection=ep&policyChapter=8&menuView=closed

Administrative Procedures - Administrative Procedures Chapter 8 Business and Finance
https://www.hawaii.edu/policy/index.php?action=viewChapter&policySection=ap&policyChapter=8&menuView=closed

RCUH Procurement Policies
https://www.rcuh.com/2-000/2-000/