GRANTS DEVELOPMENT AND ADMINISTRATION

AT

KAPI‘OLANI COMMUNITY COLLEGE

JUNE 2010
OFFICE OF THE CHANCELLOR
KAPI‘OLANI COMMUNITY COLLEGE
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Introduction to Grants Development and Administration at Kapi‘olani Community College

A. Grant Development Resources

Funding Searches
The Office For Institutional Effectiveness (OFIE) will assist administrators and faculty in searching for potential funding sources from governmental and non-governmental agencies for activities that support the college’s Strategic Plan and academic and support unit tactical plans. The OFIE monitors governmental and non-governmental grant opportunities via the federal register, grants.gov, Congressional representatives, UH Office of Research Services, and other list serves.

Grants Prioritization
Priority will be given to governmental and non-governmental funding opportunities that address strategic and tactical plan outcomes, performance measures and constructing the college’s new ecology of teaching and learning. This new ecology of learning (see Collegewide Strategies 3 and 4) connects classrooms, curricula, centers, campus, community, countries abroad, and cyberspace through integrated technology; increased student, staff, and faculty engagement; and an increasing emphasis on student learning and success. In addition, units and departments should align funding opportunities to their tactical plans.

Faculty e-mail distribution list
The OFIE is establishing and maintaining an e-mail distribution list that will help administrators and vice chancellors, dean, faculty and staff be alert to opportunities that may be department or program-specific, expand access to list serves where seed grants may be found, and disseminate information relative to available grants. There is increasing interest in starting a grants seeker support group.

Administrator and Faculty trainings and workshops
OFIE in collaboration with CELTT will provide grants development training and workshops. There is also increasing interest on starting a grant-seeker support group. Topics to be covered will include elements of a grant proposal, how to develop a program narrative, and overall procedures for grants development and submission at KCC. The college’s Business Office will provide guidance and training on developing a budget and budget narrative, and the process to create an account code for the grant if awarded, to track grant expenditures and certify expenditures for reporting purposes and special requests such as no-cost extensions.

Resources and debriefing materials from grants training, workshops and conferences
OFIE will maintain a library of grants development resources compiled from local grants training workshops and conferences. These materials are available upon request and in electronic format, when available. OFIE will compile all evaluations on both
successful and unsuccessful grants, and will address field reader’s and evaluator’s concerns and recommendations in proposal resubmissions.

**OFIE website (in development)**
The OFIE and CELTT will develop an official website for OFIE that outlines (1) grants development and administrative policies and procedures, (2) online tutorials, (3) grants development training materials, and (4) a calendar tracking federal and non-federal grants deadlines. The OFIE website will also contain a grants news section, which will provide updates on successful grants and campus activities funded by governmental and non-governmental grant funds.

The primary purposes of the OFIE website are to (1) serve as a resource for the college’s administrators, faculty and staff to facilitate successful grants developments, (2) disseminate best practices on successful grant projects, and (3) document the college’s success in grants development.”

**Grants Calendar**
The OFIE will maintain a public calendar of dates indicating grant closing dates, internal deadlines for grant proposals, upcoming trainings, conferences and workshops, dates for renewal, and other relevant information.

**Federal and Non-federal Agency Sponsor Contact**
OFIE will maintain contact with federal and non-federal program officials on behalf of the college. This communication channel ensures that the latest and most accurate information regarding funding trends and federal and non-federal agency priorities is available to college administrators and faculty and staff in developing competitive grant proposals.

**Foundation Grants**
Foundation grants are handled by the UH Foundation. The college’s development officer coordinates requests involving foundation, corporate, private, independent, other community grants opportunities.

**Grants Via the UH Community Colleges and State Government Agencies**
OFIE can assist in the development of these grants and should be engaged early in developing and implementing the evaluation plan and providing data for required reports. OFIE requests early notification of the dates for these required reports. To meet deadlines, all grants should adhere to established deadlines.
B. Grant Development Process

Phase 1: Planning and Research of Funding Agencies and Networking (Grant Support Request)

A) Planning for Grant Support Request is initiated by a request to be submitted to OFIE via department chairs, deans, and/or Vice-Chancellors and/or the Chancellor. These requests will be reviewed by OFIE director and staff and maybe reviewed by the Chancellor to ensure the proposed projects fit within the strategic plan and tactical plans. The request should include:

1) Needs and quantitative goal statement (100 words or less).
2) Source of funding with the funder and specific program URL provided.
3) A statement on how the grant supports tactical and strategic plan goals and performance measures (50 words)
4) Recommended timeline: 6-8 weeks

Proposals developed internally by OFIE will be shared with deans and vice-chancellors for their advice and consent.

B) Technical Assistance: OFIE works with all academic programs, student services, and administrative and educational support units to promote successful grant identification to support the college’s strategic and tactical plan outcomes and performance measures. Faculty, department chairs and administrative staff are encouraged to schedule consultation with OFIE grants development staff to identify potential governmental and non-governmental grants. The OFIE will convene working groups and community stakeholders (where appropriate) to identify resources needed for program and/or institutional improvement.

C) Identifying Principal Investigator / Project Director and Management Team:
As a part of the internal review process, OFIE and the Chancellor’s Office will assist in identifying the most appropriate individuals to key roles. Along with other requirements for funding, the role of Principal Investigator is often prescribed by the funding source. For example, in the case of National Science Foundation grants, teaching faculty may be designated as principal investigators. Project directors may be departmental chairs and/or individual faculty members within the required grant management plan. Due to a potential conflict of interest, OFIE director and/or staff should not serve a principal investigator or project director.

D) Advanced Notification
After preliminary review and approval of grant proposal, the OFIE provides advanced notification of intent to pursue grants to Chancellor, Business Office, and UH Office of Research Services. This letter will include original RFP, hyperlink to grant announcement, closing date and any other relevant information.

E) Established Timeline

KCC Grants Development v1 tar June 2010
After preliminary review and approval of grant proposal, the OFIE will establish a timeline with proposed internal deadlines for preliminary review by OFIE and Business Office, with final review by the Chancellor and then by UH Office of Research Services. The following deadlines are highly encouraged:

- **Business Office** – **ten (10) days** prior to submission **deadline**
- **Chancellor's Office** – **seven (7) days** prior to submission **deadline**
- **UH Office of Research Services (UHM)** – **five (5) days** prior to submission **deadline**

Grant submission deadlines are often absolute and cannot be negotiated by the campus. Therefore, it is imperative that awareness of deadlines and the specific wishes of funders are clear in order to secure the best opportunity for a successful grant proposal. For example, some submission deadlines state “4:30 pm, ET,” which means the proposal needs to be submitted taking into account the time difference. In this case, submittal must be completed five or six hours earlier.

F) Preparing Grant Proposals (6-8 weeks prior to submission deadline)

The OFIE will assist in all stages of the grants development process, including:

1. Planning, Brainstorming, Networking
2. Proposal Drafting, Editing, Reviewing, Formatting of Tables, Charts
3. Developing Evaluation Plan

It is important for grant applicants to engage the grants development staff early, develop a needs and quantitative goal statement (100 words or less), share with deans, plan to meet at least twice per week, prioritize their work in relation to grants submission deadlines, and return e-mails promptly.

The grant development process is not linear. Innovation, idea generation, alignments and linkages occur and cohere over many weeks, and key community partners, engaged early in the process, can make a huge, positive difference.

To ensure the competitiveness of grant resubmissions, OFIE requires a copy of previous proposals, along with grant evaluator comments, if any. OFIE requires grant applicants to incorporate improvements suggested by previous grant evaluators in any resubmission.

**Phase 2 Developing Key Components of Successful Grants**

Successful grants usually require the following components, which are scored, usually on a 100 point scale, by reviewer panels developed by the specific federal and non-federal program:
**Project Narrative** – Competitiveness will be assessed based on the importance of problem statement. This section identifies the problem or need for which funding is being requested. This problem or need probably rose to the surface in program review and/or tactical planning. Reviewers look for statements such as “course success rates and degree completion rates are too low” with accompanying baseline data for the current year. A statements such as there is “a need for additional peer mentors and tutoring” is really a statement about an input needed to solve a problem. Goals, objectives, and outcomes must be clearly defined because they will need to be evaluated. Reviewers also look for the strategies intended to “increase the number” and whether these strategies have been found to work at other colleges. These strategies are called research-based best practices, and OFIE has been collecting these for the last five years. Ethnographic site visits to campuses that have successfully solved a similar problem are very helpful here.

**Management Plan** -This component usually includes an annual or multi-year timeline of project activities and reporting requirements, identification of the persons responsible for carrying out the activities, the qualifications of key personnel, followed by a management plan which is usually presented as a chart with clear reporting lines. Generally, projects should be managed within the existing organizational structure. Projects for academic units, for example, should fall within an existing organizational unit such as a department or have clearly defined interdepartmental roles and responsibilities.

**Evaluation Plan** – The OFIE will assist programs to devise an evaluation plan for tracking the achievement of project goals, objectives, and outcomes. Formative evaluation tracks these, as well as the effectiveness of project management, on a quarterly, semi-annual, or annual basis, while summative evaluation compiles final project accomplishments. These evaluations always involve both qualitative (focus groups, interviews, ethnographic observations) and quantitative evidence (data tracking by OFIE, cyclical targeted surveys, CCSSE results, CELTT tracking and evaluation of professional development opportunities).

**Budget and Budget Narrative** – The OFIE will facilitate discussions with the Business Office to ensure that budgets, including personnel (assigned time, stipends, summer overloads, student help, peer mentors), supplies, equipment (individual items costing more than $5,000), travel (often required for annual meetings), and fringe benefits, indirect costs, and matching costs, are checked against the specific guidelines of the federal funder. The Business Office requests ten (10) business days advance notice for preliminary review for grant budgets. Business Office staff will provide final review and approval of budget materials before further submission to Office of Research Services.

**Supplemental Materials:** One of the most integral components of grants development is the timely compiling of **required** supplemental materials such as letters of support, reference letters, curriculum vita, memorandums of understanding, and federal and non-federal certifications and assurances. Since many of these items need to be signed, scanning these documents for electronic submission requires additional time.
Letters of Support; Letters of support required for grant applications will be obtained and kept on file (digital / electronic) copy. It is recommended that the OFIE be given ample time to interface with and build a relationship with any community organization, partner institution, or other affiliates that submit letters of support. OFIE will assist in letter writing so that it aligns with grant text and commitments. Letters submitted electronically should be signed. Partners should be given up to 10 business days to submit and possibly edit letters of support on their official letterhead.

Administrator/Faculty Curriculum Vita/Résumés
Administrators and Faculty are encouraged to maintain current curriculum vita (CV), which are often required in grant applications. The OFIE will assist administrative staff, deans, department chairs and faculty members in maintaining up-to-date curriculum vita (a.k.a. professional profiles) with information pertinent to the grants process. Information that should be included includes educational background (in reverse chronological order), work history, professional affiliations, publications, conferences, trainings, and list of awards. All CV are formatted for consistent presentation in grant proposals, and a standard template is available upon request.

Certifications/Assurances
The OFIE will assist in completing all necessary forms required by (1) the federal and non-federal granting agency and (2) UH Office of Research Services, and getting the required institutional signatures.

Since many grant applications are submitted electronically to federal and non-federal programs, it is OFIE practice to use common fonts and formats to best insure that uploaded documents will be legible to the recipient. Therefore, Hawaiian orthography/diacritical marks are not utilized in any section of the proposal.

Phase 3: KCC Internal Review and Submission

Internal Review Process
OFIE Preliminary Review
Requested deadline: electronic copies of all required materials must be submitted at least 15 business days prior to closing date. The OFIE will conduct a preliminary review of all proposal materials to ensure accuracy and completeness of the application packet.

Business Office Preliminary Review
Electronic and hard copies of all application materials, including ORS Form 5 and other required forms must be submitted to the Business Office at least 10 working days prior to proposal due date.

During the proposal development process, the Business Office should be consulted to ensure that the proper budget allocations, indirect cost rates and fringe benefit rates are
used, and that the proper waivers or other approvals/attachments are obtained prior to submission.

Upon receipt of the final proposal document along with the ORS Form 5, Business Office reviews the proposal budget and all appropriate attachments to ensure that all appropriate fringe and indirect cost rates have been applied and any other requirements are attached.

**Chancellor’s Office Final Campus Review**
The complete proposal, along with all supporting documents and forms, must be submitted to the Chancellor’s office no less than (7) days prior to the submission deadline.

**Phase 4: Final Review and Submission**

**UH Office of Research Services - Final Review and Submission**
The Office of Institutional Effectiveness will also facilitate final review from the UH Office of Research Services. Before being submitted to a potential funding source, the grant proposal and budget must receive approval from (1) UH Office of Research Services, (2) Office of the Chancellor, and (3) Business Office. The staff will facilitate this process for qualifying grant applicants. The following at least 10 business days before the closing date: (1) complete grant application, (2) original request for proposal, (3) all required grant application materials in digital copy.

**Required signatures:** University of Hawaii is the legal applicant for all extramural funding sources for Kapi‘olani CC. According to ORS policy, the following signatures are required for extramural agreements:

<table>
<thead>
<tr>
<th>Funding amount</th>
<th>Signature required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1 million</td>
<td>ORS Director</td>
</tr>
<tr>
<td>$1 million &lt; $5 million</td>
<td>VP for Research (obtained by ORS)</td>
</tr>
<tr>
<td>$5 million &lt;</td>
<td>UH President (obtained by ORS)</td>
</tr>
</tbody>
</table>

**note:** Chancellors, Deans, Directors, Principal Investigators and Fiscal Officers are not allowed to sign extramural award agreements received by UH

An electronic copy (pdf format) of the complete application packet and copies of ORS Form 5 signed by ORS and other participants will be provided to OFIE and the Business Office upon final submission of grant packet.

**Confirmation of Receipt**
ORS will forward electronic confirmation of successful transmission of complete grant application packet to the Chancellor, OFIE Director and Grants Development Specialist.
Next Steps – Awarded or Resubmit?
If grant is awarded, the Business Office will work with ORS to establish account codes and budget expenditures plan.

Resubmission - proposals not recommended for funding will be kept on file, along with reader comments for future consideration. Follow up discussions will be held in the event that the grant application may be resubmitted for future cycles, as well as other grant programs which may be better matched.

C. Grants Implementation

The Grants Management plan identified in the proposal should be followed. The OFIE evaluation team will track the effectiveness of grants implementation processes.

The principal investigator and project director are responsible for required report writing and OFIE will assist with project evaluation. OFIE will assist in finding external evaluators when these are required.

Should the federal and/or non-federal program announce that supplemental funds are available, the OFIE will work with the principal investigator and project director in applying for these funds. All requests for funding must be approved by the Business Office and ORS, with necessary revisions made to the ORS Form 5 to reflect the amended budget amount.

When grant funds cannot be spent before the project end date, the OFIE will work with the principal investigator, project director, Business Office, and ORS to request a No-Cost extension of the project period to spend down federal funds. The no-cost extension request should be submitted 90 days before the original end date of the grant.

Change of Principle Investigators (PI) or Co-Principle Investigators (Co-PI)
If there should be a change in the PI’s or Co-PI’s responsible for grants implementation and administration, the desired change should be discussed with the Chancellor, OFIE, Business Office, as well as the current and prospective new investigator(s). This is to ensure that all stakeholders are aware of how these changes will affect faculty time commitments, grants management, and pending and future grant applications being reviewed by the relevant federal agency. Upon internal review, the appropriate ORS form must be completed and submitted to the corresponding ORS program officer. ORS will then request the change to the federal or non-federal agency.

** Please note that PI’s should not contact the federal funder directly to make any significant changes to the grant project. Any requested changes should be sent to the Business Office, OFIE and Chancellor’s Office for review, then subsequently to ORS for final action.

The principal investigator needs to provide: (1) letter to funding agency with PI signature and ORS endorsement signature line with a justification, the name of new PI
to be nominated; (2) CV of new PI to justify qualifications, and the original + one copy of the document; (3) Updated ORS form 5. PI must also advise ORS on the sending method for the letter to the federal agency.

D. Grants Evaluation

The Office for Institutional Effectiveness – Administration and Evaluation

OFIE will work collaboratively with grant proposers and deans to establish policies and direction for proper evaluation and accountability. The OFIE prepares management information reports and other institutional research that are required for grant applications. The OFIE provides the following evaluation services:

- Consultation on grants evaluation plan at the early planning stage of the grant proposal.
- Continued consultation on the evaluation process during grant implementation.
- Consultation and development of formative and summative plans and reports.

Evaluation services: OFIE will provide support and assistance in identifying external evaluators as required by funding agency as well as providing support and assistance in internal evaluation of projects.

External evaluator:

Sometimes external evaluation is required for federal grants to ensure the impartialness of the project evaluation. OFIE will provide assistance in identifying and selecting an external evaluator.

E. Grants Administration

External grants provide funds for both direct and indirect costs that must be administered effectively. The policies discussed below from the Office of the Vice-President for Research and the UH Office of Research Services (ORS) use the terms “research and training” and “research and non-research activity.” The grants Kapiolani submits almost always involve the “Proposed Activity” of “Education and Training” as specified on the current ORS Form 5 submitted with each grant application.

In 2003, the Office of the Vice-President for Research published its Interim Executive Policy E5.216 on the Research and Training Revolving Fund (RTRF). This policy defines Direct costs as follows (2003:2):

| Direct costs are cost that can be identified specifically with a research or training activity or which can be directly assigned to such activities with a high degree of accuracy and typically include expenses such as project staff salaries, cost-sharing, lease rentals, etc. |

KCC Grants Development v1 tar June 2010
At Kapiolani, direct funds are usually allocated for personnel (faculty teaching equivalencies, summer overloads, student help), travel (required project reporting, faculty development), equipment and supplies.

Executive Policy E5.216 defines **Indirect costs** as (2003:2):

**Indirect costs** are those costs that are incurred for common or joint objectives and which cannot be identified readily or specifically with a particular research and training activity and typically include expenses such as administrative support, telephones, utilities, library support, etc.

The UH Office of Research Services (ORS) currently defines and discusses **Indirect costs** as follows:

**Indirect costs** are the expenses incurred by the University of Hawaii (UH) to develop and maintain the facilities and administrative infrastructure necessary to support extramurally funded research and non-research activities. Indirect costs are now referred to as “Facilities and Administrative” or F&A costs. They include, but are not limited to, the costs of providing:

1. Centralized and departmental contracts and grants administration;
2. Research compliance functions (e.g., protection of human and animal subjects, environmental health and safety, etc.);
3. Use of offices, labs, classrooms, conference rooms, and other facilities on the ten UH campuses;
4. Related building and grounds maintenance and utilities; and
5. Use of campus and departmental libraries.

F&A cost recoveries are booked to a central **Research and Training Revolving Fund** (RTRF) account. The fund was established by the Legislature so UH could use the covered revenue to further its research and training missions, RTRF funds at UH are allocated according to a formula that has been approved by UH leadership.

About half of the RTRF funds are allocated to the college or department of the PI on the award, and these funds are typically used at the discretion of the dean or director to further the research and training mission of their respective units. Some RTRF funds are allocated to support central UH departments such as OTTED, RCUH, CHS, and ORS.

**Types of Funds Provided in Grants**

**Examples of Levels of Indirect Cost Provided with Campus (FY10)**

1. Highest: 27.4 percent of specific direct funds (NSF-TCUP)
2. Moderate: Five to ten percent of direct funds USDOE Title VI)
3. Low: Zero percent (USDOE Title III)
Hypothetical Example of Indirect Costs Available: Imagine we received $100,000 in direct funds to upgrade technology in Olona. If the funder provided 27.4 percent in indirect costs then the total indirect cost would be $27,400. The total grant would be $127,400.

Currently the college is using a formula that directs a percentage of the **cumulative indirect funds (CIF)** from all grants to ORS, the department or program generating the grant, the Chancellor’s Office, the business office and OFIE. Using the hypothetical example above:

1) ORS would receive $6,850 (25%).
2) Campus would receive an allocation of $20,550 (75%)
   - Department or program generating the grant would receive $7,604 via the appropriate Vice Chancellor’s Office and/or Dean of Community Relations & Continuing Education (37% of campus allocation)
   - Chancellor’s Office would receive $6,165 (30% of campus allocation)
   - Business Office receives $3,425 (16.5% of campus allocation)
   - Office for Institutional Effectiveness receives $3,425 (16.5% of campus allocation)

These funds, when used for hiring personnel are also drawn upon to pay the 30-40% fringe benefit rates for these personnel. The University Research Council uses the CIF from UH system grants for faculty travel that has the potential to generate additional external funding.

Executive policy E5.216 provides the applicable law, Hawaii Revised Statutes 304-8.1, and this identifies two relevant uses for RTRF at Kapiolani:

1) *Research and training* purposes which may result in additional research and training grants and contracts;
2) Facilitating *research and training*, and
3) Further deposit into the discoveries and inventions revolving fund and the University of Hawaii housing assistance revolving fund.

Kapiolani uses their RTRF for administrative support, grants administration, research and training purpose which may result in additional education and training grants, facilitating *education and training*, and meeting costs incurred for common or joint objectives and which cannot be identified or specifically with a particular *education and training* activity.
### Table 1 Use of Campus CIF and Percentage Allocations

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Appropriate Use of Funds</th>
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<tbody>
<tr>
<td>The appropriate Vice Chancellor’s or Dean of Community Relations and</td>
<td>To fund special initiatives for additional grants, seed money for additional grants, faculty development and equipment, supplies, student help in support of successful project implementation.</td>
</tr>
<tr>
<td>Continuing Education Department or unit initiating the grant (37 percent</td>
<td></td>
</tr>
<tr>
<td>of campus allocation)</td>
<td></td>
</tr>
<tr>
<td>Office of the Chancellor (30 percent of campus allocation)</td>
<td>To fund special initiatives, seed money for future grants and professional development for future grants development.</td>
</tr>
<tr>
<td>Business Office (16.5 percent)</td>
<td>To fund equipment, supplies, student help in support of successful project management and administration.</td>
</tr>
<tr>
<td>Office for Institutional Effectiveness (16.5 percent)</td>
<td>To fund equipment, supplies, and student help in support of the OFIE operations and for successful grant identification and project evaluation.</td>
</tr>
</tbody>
</table>

Sometimes funders require **matching funds** or **cost-sharing**. In the case of matching funds, the college must match direct funds with its own funds or other allowable extramural funds. Cost-sharing is largely derived from percentages of administrative salaries and sometimes actual cash funds. Tracking of matching funds and/or cost sharing is handled by the Business Office but it is the grant Principal Investigator’s/Project Director’s responsibility to make sure administrators are spending the budgeted amount of time on the project. Recently, federal funders at the U.S. Department of Education (USDOE) and National Science Foundation (NSF) have reduced or eliminated their requirements for matching funds.

### Types of Grants Received by the College

The college receives grants that vary by purpose, amounts, and complexity.

1) **Tier One Grants: Multipurpose, Smaller Amounts, Less Complex**

   **Current Examples of Tier One Grants:**
   1) Since 1995, $25,000 per year as a subgrantee from National or Hawai‘i Campus Compact for Service-Learning Emphasis.
   2) Since 2003, $10,000 per year as a subgrantee from the American Council on Education for International Learning Outcomes Assessment.
These smaller grants are pursued for multiple purposes:

1) They enable new ideas to be explored.
2) They are usually easier to implement in terms of project activity but not necessarily from a fiscal perspective.
3) If successful they result in team formation and development of new ideas and further impact.
4) If successful these “seed grants” leverage larger grants or they enable Kapi’olani CC to move into a promising program or funding niche.
5) They open doors to other foundation and federal funders.
6) Sometimes these smaller grants are “subgrants” where the granting organization handles most of the fiscal and program reporting to the source funder, thus alleviating some pressure on Kapi’olani CC faculty and staff. Subgrants usually involve institutional consortia and create opportunities to learn from other campuses over multiple years.

*These smaller grants are part of larger grants development.* Their management, that is, clerical support for faculty and business office functions, is not as time-consuming as with larger grants.

2) Tier Two Grants: Departmental or Program Level, Moderate and Larger Funding Amounts with Indirect Funds

<table>
<thead>
<tr>
<th>Current Examples of Tier Two Grants:</th>
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<tbody>
<tr>
<td>1) National Science Foundation Tribal Colleges and Universities STEM Grant</td>
</tr>
<tr>
<td>2) USDOE TRIO Student Support Grant</td>
</tr>
<tr>
<td>3) USDOE Title VI International Studies and Foreign Language Grant</td>
</tr>
</tbody>
</table>

These grants are the most prevalent in the overall grants picture at Kapi’olani CC. These grants provide direct funds plus indirect funds, and may require matching funds. These grants support new innovative projects identified by a submitting department or program. Kapi’olani CC makes a commitment to the funder to institutionalize the innovations, that is, to integrate these projects into programs or units.

3) Tier Three Grants: Institution-Wide, Larger Amounts, Workload Funds Provided

Kapi’olani CC has tier three grants from the United States Department of Labor and the United States Department of Education. In tier three grants the college receives direct funds for a full-time person who has fiscal and project reporting and coordination responsibilities. Direct funds are also used to support a full-time clerical position. No indirect costs are available in tier 3 grants. Kapi’olani CC makes a commitment to the funder to institutionalize the innovations, that is, to integrate these projects into programs or units. The obligation of tier three grants is that grant funded positions may need to be funded by Kapi’olani CC after the end of the grant.
Table 2 Grants by tiers and selected characteristics.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Purposes</th>
<th>Amounts</th>
<th>Complexity</th>
<th>Direct funds</th>
<th>Indirect funds</th>
<th>Matching funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exploratory, developmental, leveraging</td>
<td>Smaller</td>
<td>Moderate</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>Department, Program Improvement</td>
<td>Moderate to High</td>
<td>High</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>Institutional Improvement</td>
<td>High</td>
<td>High</td>
<td>X</td>
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The Office for Institutional Effectiveness helps plan and then takes a lead role in authoring some of the tier 1-3 grants.

US DOE Title III also has a renovation grants program that support the college in its efforts to upgrade learning spaces with Hawaiian cultural design features, integrated and updated technology, and additional spaces for active and collaborative learning and faculty-student interaction. These grants are usually allocated for a 1-2 year period. Although the renovations occur in specific buildings the overall impact is institution-wide in shaping a new ecology of teaching and learning.
ADDENDUM I:

Kapiʻolani Community College Grants Development Process
OFIE, Business Office, representative group of faculty/staff meet to review grant opportunity. If group decides to pursue grant, then a Grant Concept Summary should be submitted for approval to the Chancellor's Office.

Administrators review requests for extramural funds to ensure proposed activities relate to department tactical plan or KCC Strategic Plan.

Selected grant opportunities are sent via KCC Bulletin, grants list serve, and OFIE website.

Proposal and budget are written with guidance from OFIE and Business Office. Letters of support, supplemental documents requested from the Chancellor and partner institutions. Required ORS forms are completed and signed accordingly.

Hard copy of full grant application submitted, along with required ORS forms for internal review and approval by the Business Office and Chancellor's Office.

All grant materials, including required ORS forms are submitted for final review. ORS submits on behalf of KCC.

If grant is awarded, ORS will accept grant award on behalf of KCC. Business Office will work with ORS to establish account codes and budget expenditures plan. OFIE establishes evaluation procedures. All reports and amendments to grant project must be cleared via ORS and Business Office.

Grants development priorities are clearly aligned with KCC Strategic Plan and department tactical plans.
University of Hawai‘i – Office of Research Services, Indirect (F&A) Costs and Rates
INDIRECT (F&A) COSTS AND RATES
FREQUENTLY ASKED QUESTIONS

What are indirect costs?

Indirect costs are the expenses incurred by the University of Hawaii (UH) to develop and maintain the facilities and administrative infrastructure necessary to support extramurally funded research and non-research activities. Indirect costs are now referred to as "Facilities and Administrative" or F&A costs. They include, but are not limited to, the costs of providing:

- Centralized and departmental contracts and grants administration;
- Research compliance functions (e.g., protection of human and animal subjects, environmental health and safety, etc.);
- Use of offices, labs, classrooms, conference rooms, and other facilities on the ten UH campuses;
- Related building and grounds maintenance and utilities; and
- Use of campus and departmental libraries.

What are direct costs?

Direct costs are those that the PI and sponsor have determined to be necessary to perform a project. Direct costs must be specifically identifiable with a particular project or activity and verifiable by source documents, such as payroll or accounts payable records. Direct costs are used by the Principal Investigator (PI) to pay for such project costs as:

- Salaries and fringe benefits for investigators and technical staff;
- Equipment, materials, supplies, and contractual services;
- Travel to project-related meetings; and
- Computer services and communication charges.

The sum of direct costs and F&A costs for an extramurally funded project is referred to as "total costs." Direct and F&A costs must be kept separate for budgeting, accounting and reporting purposes.

Should the costs of providing administrative support for my project be budgeted as direct or F&A costs?

Generally, administrative and clerical costs are considered to be F&A costs and should not be budgeted or charged as a direct cost of the project.
There are exceptions. Some large projects and major activities require an extensive amount of administrative support beyond the level that departmental administrative staff typically provide. When individuals can be specifically identified with particular project or activity, it may be appropriate to include the expenses associated with their salaries and benefits in the direct cost section of the proposal budget. This must be well justified in the budget narrative.

Please be aware that, even if an award is made based on the budget as submitted, there is a risk that these costs could later be deemed unallowable and therefore denied. (Exhibit C of OMB Circular A-21 provides examples of situations in which the federal government acknowledges that direct charging of such costs may be allowable.)

What is an F&A rate?

The F&A rate is the method used by the federal government to reimburse UH and other research institutions for use of their facilities and administrative services to support federally funded projects and activities. The actual rates are calculated in accordance with federal regulations and guidelines.

The F&A rate is expressed as a ratio of F&A costs to "modified total direct costs" (MTDC). MTDC is calculated by subtracting certain allowable exemptions from total direct costs. For example, if the MTDC were $1,000,000 and F&A costs were $100,000, the F&A rate would be 10%.

Who determines the F&A rate for UH?

ORS has a special section (Cost Studies and Rate Analysis) that compiles and analyzes data on actual UH operating costs and develops reports for UH leadership and the federal government. Based on its analyses, ORS proposes and negotiates F&A rates with the federal government through its “cognizant agency.” The federal cognizant agency for UH is the San Francisco-based Division of Cost Allocation (DCA), an office of the U.S. Department of Health & Human Services.

In some cases, a special rate, called an “off campus rate,” is calculated for work that will occur in facilities provided by the sponsor or a third party. It also includes projects that will occur predominantly in the field and not at a UH campus or UH operated facility.

When the rates are approved, DCA sends signed rate agreements to ORS, and ORS communicates these rates to the UH community through its Website. These federally approved rates must be used in proposal budgets on all federally funded projects.
Do F&A rates apply to non-federal awards?

Yes. However, it is up to UH to determine whether and how the federal rates apply to non-federal awards or if other rates apply. At UH, the location of the project may determine which rate applies. Check the F&A rate table posted on the ORS Website for the rate applicable to your award.

What if my award is projected to straddle two fiscal years, each with a different F&A rate?

If you are confident of your award dates, apply the F&A rate applicable to each period. For example, if the F&A rate is scheduled to change for FY '09 (beginning July 1, '08), use the FY '08 rate for costs to be incurred between July 1, 2007 and June 30, 2008; use the FY '09 rate for costs to be incurred between July 1, 2008 and June 30, 2009.

Part of my project will be conducted at the Kaka'ako campus, and part of it will be conducted at Manoa. What rate should I use?

The Kaka'ako research rate can be used only for research projects that are conducted by UH personnel, including RCUH service ordered personnel, on the Kaka'ako campus. If the work straddles two campuses, use the Kaka'ako rate only when staff will work more than 50% of the time at Kaka'ako location.

Note that the regular training or other sponsored activity rate should be used for non-research projects conducted on the Kaka'ako campus.

How are F&A cost recoveries used?

F&A cost recoveries are booked to a central "Research and Training Revolving Fund" (RTRF) account. The fund was established by the Legislature so UH could use the recovered revenue to further its research and training mission. RTRF funds at UH are allocated according to a formula that has been approved by UH leadership.

About half of the RTRF funds are allocated to the college or department of the PI on the award, and these funds are typically used at the discretion of the dean or director to further the research and training mission of their respective units. Some RTRF funds are allocated to support central UH departments such as OTTED, RCUH, CHS, and ORS.
Can I use F&A costs charged to my award as the UH share of costs?

Amounts billed to the sponsor may not be used for cost sharing purposes. Unrecovered F&A costs can be used for cost sharing purposes provided that the sponsor does not prohibit it.

Will a high F&A rate undermine the competitiveness of my proposal?

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 F&A rates at UH are significantly lower than equivalent rates at most universities.

If a sponsor won’t agree to the UH F&A rate, can I accept a lower rate for my project?

Some sponsors (private foundations, in particular) do place caps on the F&A rate they will pay. Some prohibit the application of any F&A rate to the study budget.

It is UH policy to recover full F&A costs unless the sponsor explicitly limits or prohibits recovery. However, there are individuals at UH who are authorized to approve reductions or waivers of established rates. Generally, this is the Chancellor of the campus; for Manoa, it is the Vice Chancellor for Research and Graduate Education. Discuss the situation with your Dean or Director before you request a reduction or waiver of an approved F&A Rate.

Provide written documentation of a sponsor’s rate restriction when you submit your proposal to ORS. Also, make sure you receive written documentation of any approved reductions or waivers from the appropriate UH official.

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University of Hawai‘i Interim Executive Policy – Academic Affairs, E5.216 – Research and Training Revolving Fund (RTRF)
E5.216 - Research and Training Revolving Fund (RTRF)

I. OBJECTIVE OF THIS POLICY

The objective of the University's Research and Training Revolving Fund policy is to establish policies and procedures to ensure proper financial management of the fund and compliance with Chapter 304-8.1, Hawai'i Revised Statutes.

II. APPLICABLE LAW

Chapter 304-8.1, Hawai'i Revised Statutes, states

(a) There is established a University of Hawai'i research and training revolving fund into which shall be deposited one hundred per cent of the total amount of indirect overhead revenues generated by the university from research and training programs. The board of regents of the University of Hawai'i is authorized to expend one hundred per cent of the revenues deposited in the fund for:

(1) Research and training purposes which may result in additional research and training grants and contracts;

(2) Facilitating research and training at the university; and

(3) Further deposit into the discoveries and inventions revolving fund and the University of Hawai'i housing assistance revolving fund.

(b) The University of Hawai'i shall prepare and submit an annual report of the status of the research and training revolving fund to the legislature twenty days before the convening of each regular session. The annual report shall include but not be limited to a breakdown of travel expenses.

(c) Notwithstanding sections 304-10, 304-8.92 and 304-8.96 to the contrary, the board of regents or its designee, may establish a separate account within the research and training revolving fund for the purpose of providing advance funding to meet reimbursable costs incurred in connection with federally financed research and training projects. Any reimbursement received as a result of providing advance funding shall be deposited into the research and training revolving fund to be used for
the purpose of meeting reimbursable costs incurred in connection with federally financed projects.

(d) Revenues deposited into the fund shall not be used as a basis for reducing any current or future budget request or allotment to the University of Hawai‘i unless the university requests such a reduction.

III. DEFINITIONS

(a) “Campus head” means the chancellor of a campus.
(b) “Commitments” means funds earmarked for specified future purpose(s) which have not been reserved through the official encumbrance policies of the University.
(c) “Direct costs” are costs that can be identified specifically with a research or training activity or which can be directly assigned to such activities with a high degree of accuracy and typically include expenses such as project staff salaries, cost-sharing, lease rentals, etc.
(d) “Encumbrance” means funds for specified future purpose(s) which have been reserved through the official encumbrance policies and procedures of the University.
(e) “Indirect costs” are costs that are incurred for common or joint objectives and which cannot be identified readily or specifically with a particular research or training activity and typically include expenses such as administrative support, telephones, utilities, library support, etc.
(f) “Returned indirect costs” is that portion of sponsored project funds that is identified as indirect costs or overhead, via agreement with the University’s cognizant Audit Agency, and collected by the University as project funds are expended.
(g) “RTRF” is the Research and Training Revolving Fund. This fund is the accounting entity into which returned indirect costs are deposited and from which allocations are made.
(h) “Systemwide executives” are Vice Presidents for system wide programs or any other University executive whose program is not organizationally associated with a campus or systemwide program.

IV. STATEMENT OF PHILOSOPHY

As stated in the University of Hawai‘i System Strategic Plan, the common purpose of the University of Hawai‘i System of institutions is to serve the public by creating, preserving and transmitting knowledge in a multi-cultural environment. The goals and objectives of the UH System Strategic Plan form the basis for this system-level policy.

One of the several goals of the UH System Strategic Plan is developing a learning, research and service network which engages diverse elements of the UH system in intellectual capital formation that enables Hawai‘i to flourish. An objective associated with that goal is to excel in basic and applied research for the discovery and dissemination of new knowledge.
Strategies to achieve that objective include: assuming leadership in knowledge creation by building on existing research strengths, addressing critical gaps, and capitalizing on Hawaii's natural advantages; promoting research through collaboration across disciplines, among campuses and with international colleagues; and providing administrative leadership, support and infrastructure to facilitate research and training across the system.

Another goal of the UH System Strategic Plan is investing in faculty, staff, students and their environment. An objective associated with that goal is to create a University culture of excellence by recruiting, rewarding and empowering top-performing faculty and staff and to foster a *spirit of joint enterprise and appreciation* (italics added) for all University employees, including graduate students and student employees.

This policy recognizes that the total annual allocation of the Research and Training Revolving Fund is in direct proportion to the recovery of indirect costs from extramural research and training grants, awards, and contracts that are the direct result of faculty and staff efforts, as well as from the leadership, reputation and facilities of the University. To ensure a healthy research enterprise, then, a strong partnership between researchers and the Administration must be fostered.

It is in the best interests of the University to invest RTRF funds in a fashion which recognizes this partnership, and which includes consultation in a collaborative manner with faculty researchers at all levels of decision-making that affect the allocation of RTRF. Such decision making processes should result in an appropriate sharing of the RTRF resource such that excellent support is provided for the performance of current research commitments, and that incentives are provided for continued excellence in research and for an evolution of the research enterprise that reflects developments in science and technology.

The University should aim to maintain and increase the level of the RTRF, recognizing that the sustainable volume of extramural funding and the indirect cost recovery rate are inextricably interlinked. RTRF allocations and their use should balance the need to support indirect costs with the need to support evolution of the research enterprise, and should be consistent with the appropriate distribution of responsibility and authority.

V. **PRINCIPLES OF ALLOCATION AND CONTROL**

(a) All allocations from the RTRF shall be made to further the purposes of Chapter 304-8.1, Hawai‘i Revised Statutes and shall not be used for any other purposes.

If a cost item will provide only partial support for a purpose specified in the statute, then to the extent practicable the use of RTRF shall be proportional to the support or benefit for that purpose.
(b) Allocations to systemwide executives and to campus heads shall be made centrally by the President or his designee in accordance with procedures developed via consultation in a collaborative manner with an Advisory Group to the Vice-President for Research, which will include in its membership faculty researchers, representatives appointed by the chancellors of the University of Hawai‘i at Manoa and the University of Hawai‘i at Hilo campuses, the Office of Research Services, and other entities as appropriate. Allocations by campus heads and in turn the heads of research units -- that is, a college, an institute, a school, a program or another research entity -- shall be made in a similarly consultative and collaborative fashion.

(c) Allocations from the RTRF shall be in accordance with the following:

(1) It is the expressed intent of the University to minimize the creation and accumulation of contingency reserves in the financial management of the RTRF. To this end, allocations to the campus heads shall be made on a fiscal year basis. Unless a campus head requests an extension, which is approved by the Vice President for Research, all campus allocations that are unexpended, unencumbered or uncommitted as of June 30 shall be deposited into a central administration account that shall be established for working capital purposes pursuant to Chapter 304-8.1(c), Hawai‘i Revised Statutes. Funds allocated to campus heads that are encumbered or committed may be extended for a second year subject to submission of a notice of intent to extend funding, a commitment by the responsible campus head, and receipt of acknowledgement from the Vice President for Research.

(2) The President, at his discretion, may use as much of the working capital as may be necessary to meet the costs of unanticipated contingencies when it would be in the best interests of the University to do so, provided that the costs are statutorily allowable. All working capital used for unanticipated contingencies shall be reported to the Board of Regents.

(d) The University of Hawai‘i System Vice-President for Research has responsibility for the implementation of this policy, to include the establishment of accounting systems and procedures, particularly with respect to annual account establishments and abolishments, and appropriate post-audits.

(e) The University shall submit an annual report to the legislature regarding the status of the RTRF, as statutorily required. A copy of this report shall be concurrently submitted to the Board of Regents.
Hawaiʻi Revised Statutes [§304 A-2253] Research and training revolving fund
[§304A-2253] Research and training revolving fund. (a) There is established a University of Hawaii research and training revolving fund into which shall be deposited one hundred per cent of the total amount of indirect overhead revenues generated by the university from research and training programs. The board of regents is authorized to expend one hundred per cent of the revenues deposited in the fund for:

1. Research and training purposes that may result in additional research and training grants and contracts;
2. Facilitating research and training at the university; and
3. Further deposit into the discoveries and inventions revolving fund and the University of Hawaii housing assistance revolving fund.

(b) The annual report required to be made for this revolving fund shall include but not be limited to a breakdown of travel expenses.

(c) Notwithstanding sections 304A-107, [304A-2254], and [304A-2258] to the contrary, the board of regents or its designee, may establish a separate account within the research and training revolving fund for the purpose of providing advance funding to meet reimbursable costs incurred in connection with federally financed research and training projects. Any reimbursement received as a result of providing advance funding shall be deposited into the research and training revolving fund to be used for the purpose of meeting reimbursable costs incurred in connection with federally financed projects.

(d) Revenues deposited into the fund shall not be used as a basis for reducing any current or future budget request or allotment to the university unless the university requests such a reduction. [L 2006, c 75, pt of §2]