

Knoxville Campus Policy: FI0205-2-K - Sponsored Grants and Contracts - Capital Expenditures	
Version 1	Effective Date: 07/09/2019

Office of Budget and Finance

Sponsored Grants and Contracts – Capital Expenditures

OBJECTIVE:

The objective of this procedure is to provide guidance in the posting of capital expenditures on sponsored projects. The purpose of this procedure is to establish a best practice for ensuring compliance with the rule by the Management and Budget Office regarding Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) for prior approval of equipment purchases.

Uniform Guidance 200.439 requires prior written approval from the Federal awarding agency or pass-through entity of any capital expenditures with a unit cost of \$5,000 or more.

At the time of posting a capital expenditure to a sponsored project, departments must attach verification of prior written approval (e.g. proposal, approved budget justification, or approved Award Action Form) to the IRIS transaction. This will ensure all capital expenditures received the required level of review prior to any costs being charged to the project.

The Office of Sponsored Projects Accounting will monitor compliance of this procedure on a quarterly basis.

For questions related to this procedure, please contact the compliance office within Sponsored Projects Accounting at 974-2591 or SPA@utk.edu.