

UT Health Science Center: FI02050-H Sponsored Projects	
Version 1	Publication Date: 06/14/2022

No./Title: F205 –Sponsored Projects	Resp. Office: FINANCE	Effective Date: 07/01/2016
Category: Sponsored Projects	Last Review: 08/01/2019	Next Review: 08/01/2022
Contact: Brenda Murrell, Director Sponsored Projects Accounting	 901.448.4889	 bmurrell@uthsc.edu
Forms: Request for Advance WBS Element Request for Reallocation Residual Supplies Inventory Cost Transfer Explanation		
Related		
Policies: FI0205 - Sponsored Projects FI0206 - Distinguishing Direct vs Indirect Costs FI0207 - Salary Policy FI0208 - Federal Salary Rate Limitation FI0210 - Cost Sharing FI0215 - Effort Certification FI0220 - Cost Transfers FI0225 - Code of Business Ethics FI0230 - Subaward Origination and Subrecipient Monitoring FI0235 - Program Income		

PURPOSE

To provide accounting procedures for administering grants and contracts.

BACKGROUND

University of Tennessee Fiscal Policy *FI0205 - Sponsored Projects* sets forth detail policies related to application and administration of sponsored project grants and contracts (including budgets, proposals and applications, cost sharing, subawards, and salary allocation) and should be utilized as the official reference except for the notations set forth below as specific to the Health Science Center (HSC).

A grant or contract with any agency or company must be processed through the appropriate university channels and approved by the designated university official(s). **No university employee, department chair, or dean may request nor enter into or accept a grant or contract involving the university.**

For the HSC, the Office of Finance and Administration has responsibilities mentioned throughout the policy as assigned to the Treasurer’s Office or the Comptroller’s Office.

GENERAL POLICIES (Policy Items 1-5)

The university’s fiscal policy on sponsored projects requires the campus to “provide for sufficient prior review of proposals, applications, and agreements to ensure that all personnel responsible for committing university resources and for administering the proposed agreements are fully aware of their obligations”.

- At the HSC, the Vice Chancellor for Research is assigned responsibility for assuring

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sufficient prior review of sponsored project proposals and research contracts; and, the Office of Grants and Research Agreements provides technical assistance to HSC personnel in preparation of sponsored project proposals and research contracts.

- Most contracts fall into two categories: research or service. Procedures related to service contracts are set forth in UT Fiscal Policy **FI0420 - Contracts** and HSC Fiscal Procedure *F420 Service Contracts*.
- The Office of Finance and Operation has administrative responsibility for financial accounting and reporting of all sponsored project grant and contract accounts.
- As stated in the university’s fiscal policy, the contracting process should allow sufficient time to have fully executed contracts prior to the starting date of the contract.

GENERAL OBLIGATIONS AND REQUIREMENTS (Policy Items 8)

Administrative Responsibilities (Policy Item 8.a)

- The Office of Grants and Research Agreements (UTHSC’s preaward office) is assigned certain responsibilities listed under “Performance Regulations”.
- The principal investigator and the department chair or department administrator must be familiar with the responsibilities required under “University Obligations”.
- “Fiscal responsibility” is assumed by the Office of Sponsored Projects Accountings (SPA); however, the principal investigator has responsibility for monitoring the financial status of the grant or contract through the on-line IRIS system.
- “Grant and Contract Funding Methods” are the responsibility of the Office of Finance and Operations except for departments in which a grant or contract involves subject recruitment or similar activities. In these situations, the principal investigator or department administrator is responsible for submission of billing documents to the grantor or sponsor; and, the billings must be supported by any documentation stipulated in the grant or contract.

Timeliness in Charges and Adjustments (Policy Item 8.b)

The principal investigator and/or the department chair or department administrator should review regularly and at least monthly, the budget expenditures and balances reflected on the UT Ledger (ZFM_UT_Ledger). Specific attention should be directed to the period immediately preceding the end of the sponsored project period. All charges should be processed against such

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accounts within 60 days after the project end date so that final financial reports can be submitted and the WBS elements closed on a timely basis. A cost transfer explanation form (Fiscal Policy **FI0220 - Cost Transfers**) may be required.

Budget Monitoring (Policy Item 8.d)

The principal investigator and/or the department head or administrator is expected to reconcile budget expenditures against the sponsored project award budget on a monthly basis. An agency’s prior approval and/or budget reallocation may be required.

Equipment Procured on Federally Sponsored Projects (Policy Item 8.e)

When a federally sponsored project has ended, any equipment purchased with project funds remains the property of the university unless the university is directed otherwise by the sponsor.

Other Federal Regulations Relating to Compliance (Policy Item 8.f)

The Office of Grants and Research Agreements maintains a record of assurances required to meet other federal guidelines such as care of animals, protection of human subjects, etc., and such items must be checked off on proposals. (See “Grant Proposals and Applications” Section Below)

GRANT PROPOSALS AND APPLICATIONS (Policy Item 9)

To maximize the opportunity for success, to protect the interests of the individual faculty or staff member, and to ensure that the institutional priorities, policies, and procedures are properly represented in all external arrangements using the university's name, facilities or other resources, prospective institutional approval and coordination are necessary. All sponsored project grant proposals and research contracts must be routed in **Evisions/Cayuse424** and SP for departmental, college, and institutional approval prior to submission to the sponsor. The Office of Grants and Research Agreements reviews all such proposals and provides or obtains institutional approvals.

CONTRACT PROPOSALS AND EXECUTION (Policy Item 10)

At the HSC, all research contracts are routed to the Office of Grants and Research Agreements for final review, approval, and signatures. Most UT Health Science Center research contracts are designated for local signature by the Vice Chancellor for Research. Research contracts with foreign entities and procurement subawards over \$100,000 require review and signature by officials in Knoxville; these research contracts also are routed through the Health Science Center Office of Grants and Research Agreements for review and processing for final approval and submission to Knoxville for University signature.

DIRECT & FACILITIES & ADMINISTRATIVE COSTS (UT Fiscal Policy FI0206)

University Fiscal Policy FI0206 *Sponsored Projects – Distinguishing Direct vs. Indirect Costs* states,

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“University policy requires that grants and contracts bear the full cost of the sponsored project to the maximum extent possible. Full cost includes the direct and F & A costs at the full rate that has been negotiated with and approved by the federal audit agency for the particular campus or institute performing the sponsored project.”

Facilities and administrative (indirect costs, aka F & A) are those costs which are not readily assignable to any specific project. The F & A rate applicable to federal grants and contracts is negotiated with the federal government on a periodic basis. The current rate, base, and agreement date are required to be included on all applications for federal funds, including proposals for subawards from other institutions that are applying for federal funding. The rate agreements are posted by the Office of Grants and Research Agreements on http://uthsc.edu/research/research_administration/FAQ.php or may be obtained from the Office of Finance and Operations.

BUDGETS & COST-SHARING PROCEDURES (UT Fiscal Policy FI0210)

Mandatory Matching (Policy Item 8.b) There are many variations of matching requirements among agencies. Some require that the university obtain matching funds before a grant or contract. If mandatory matching is required by the funding agency, the investigator should contact Office of Grants and Research Agreements for assistance in budget preparation. The principal investigator or department administrator must also provide the Sponsored Project Accounting office with detailed information on how the matching requirement will be met at the beginning of the project term.

Restricted Budget Form (Policy Item 8.d). The budget form T-1 is not utilized at the HSC.

Supplemental Budget and Cost Information (Policy Item 8.e) The HSC does not require completion of a separate additional form for this subject.

CHARGING SALARIES TO GRANT AND CONTRACT ACCOUNTS (UT Fiscal Policy FI0207)

The university utilizes the IRIS on-line system to document charges to sponsored project accounts for personal services of staff.

Percentage of Salary (Policy Item 1.a) It is the responsibility of the principal investigator and the department to ensure that the effort requested reflects the effort expended and is in compliance with the approved grant or contract budget.

After-the-Fact Certification of Time or Effort (Policy Item 1.c). Certification of effort is required for all employees paid from a WBS element (restricted account). The principal investigator enters their time or effort certification through the ECR web site. A designated departmental individual may enter certification into IRIS if provided written documentation initiated by the employee and

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approved by the principal investigator. The employee's written documentation must be maintained in departmental files for six years.

CHARGING SALARIES ON AN AFTER-PERFORMANCE BASIS (Policy Item 2)

The salary transfer transaction (ZPSTV000) should be used to transfer salary charges after the fact of performance to a sponsored project. Appropriate approval must be obtained prior to IRIS submission.

Salary charges processed more than ninety (90) days after-performance require written justification and must be submitted to the Chief Business Officer for administrative approval.

The section relating to *Faculty on Academic Year Appointments* (Policy Item 2.c) is not applicable to the HSC.

EXTRA SERVICE PAY ON GRANTS AND CONTRACTS (Policy Items 3a)

The additional payment transaction (ZPADDPAY000) should be used for processing extra-service pay. Appropriate approval must be obtained prior to IRIS submission.

PAYMENTS TO HOURLY CLERICAL & SUPPORTING PERSONNEL (Policy Item 4)

At the HSC, electronic effort certification is required for all monthly employees paid from restricted (grant) accounts. The approved time sheets of biweekly employees contain the required certification to document effort devoted to the sponsored projects.