

<b>System-wide Policy:</b>	
<b>FI0225 - Sponsored Projects - Code of Business Ethics</b>	
<b>Version: 1</b>	<b>Effective Date: 10/01/2017</b>

## FI0225 – Sponsored Projects – Code of Business Ethics

### Topics:

<a href="#">Guidelines for Awards and Contracts</a>	<a href="#">Procedures</a>
<a href="#">Guidelines for Contracts under FAR 52.203-13 and 52.203-14</a>	<a href="#">Related Policies</a>

### Objective:

The University of Tennessee (UT) is committed to providing high quality technical work to our sponsors that is conducted with the highest moral and ethical standards and to conduct all business and related professional activities in good faith and with fairness, integrity, and respect for others. UT believes that compliance with applicable laws and regulations is an essential condition for performing effective work under sponsored agreements. Therefore, all employees who participate in sponsored activities are subject to this Code of Business Ethics for sponsored projects. In addition, federal contracts that include FAR clauses 52.203-13 and 52.203-14 are subject to the additional requirements listed in section 3 and 4 below.

### Policy:

1. Employees are expected to assume personal responsibility and accountability for reading and understanding UT fiscal policies, U.S. laws and regulations, sponsor guidelines, and award document provisions that are applicable to their sponsored activity. Employees are encouraged to seek guidance from their supervisor, campus/unit pre-award office, post-award office, or campus/unit business office, if necessary. To assist employees, UT will provide a business ethics training program and other appropriate training opportunities. This policy describes general requirements for proper business practices under a sponsored award; however, this list is not exhaustive and may not include all of the applicable rules and regulations and award clauses applicable to a specific award.

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Employees in a supervisory capacity are expected to encourage and require compliance from subordinates and coworkers. Compliance is adhering to the letter and the spirit of the law or rule. Noncompliance is not to be tolerated and is to be reported to a supervisor or institutional compliance office. Any UT employee who reasonably suspects or has actual knowledge of an impropriety, criminal misconduct, or violation of this policy that has been committed by another UT employee, student, consultant, or subawardee should report this information in a timely manner. The reporting employee should contact his or her immediate supervisor, the next level of supervision, Internal Audit or Institutional Compliance. UT employees are expected to act in the best interests of the university by ensuring that suspected violations are reported at the earliest possible opportunity. The following confidential means of communication are available for reporting suspected violations: UT Audit and Consulting Services at 865-974-6611 or State Comptroller's Fraud Hotline at 1-800-232-5454.

Anyone whose conduct is determined to be in violation with this policy is subject to disciplinary action up to and including termination and may also be personally subject to civil and criminal liability.

### Guidelines for Awards and Contracts

2. General list of guidelines for business ethics compliance issues: This list is not exhaustive. Refer to UT fiscal policies, Federal regulations, sponsor guidelines, and specific award document clauses for complete rules. Contact your campus/unit business office, pre-award office, or post-award office for additional guidance.
  - a. **Spending as agreed.** Employees are expected to be good stewards of the sponsor or donor's funds. All funds should be spent in the manner proposed and agreed to in the award from the sponsor or specified by the donor. Any deviations will be properly documented following the

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University's procedures and may require advance written approval.

- b. **Becoming familiar with Federal regulations.** Employees who have administrative and/or financial responsibilities for sponsored activities that are funded wholly or in part by the Federal government must be familiar with applicable Office of Management and Budget (OMB) Circulars A-(2CFR 200-230) and award document clauses and sponsor rules.
  
- c. **Costing requirements.** Employees who have administrative and/or financial responsibilities for sponsored activities must ensure that all expenditures on sponsored projects are reasonable, allowable, fall within the time period of the award, and are allocable to the statement of work being conducted using a reasonable method of cost allocation.
  
- d. **Providing timely financial information and making timely entries.** Employees who have administrative and/or financial responsibilities for sponsored activities must ensure that all charges, credits, certifications, and other accounting entries are performed in a timely manner as specified in fiscal policies. Principal investigators will ensure that support personnel are promptly given information about charges to sponsored projects.
  
- e. **Avoiding cost transfers.** Employees will endeavor to get charges on the correct sponsored project initially and will avoid using cost transfers except to correct errors. Errors should occur rarely. Cost transfers will not be used to move costs from overspent projects to underspent projects or for any other reason of convenience or for funding considerations.
  
- f. **Reporting effort certification and payroll charges accurately and timely.** Employees must ensure that effort certification accurately reflects the actual percentage of work effort devoted to a sponsored project. Effort is to be certified within 30 days of the end of the semester or the end of

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the sponsored project ending date. Anticipated changes in future effort should be promptly changed in the payroll cost distribution system.

- g. **Charging only during award period.** Sponsored projects are not to be used as an interim funding source when other awards are late. Inapplicable charges should be immediately moved to a non-sponsored account.
- h. **Direct charging of costs normally in F&A rate.** Charges for items normally included in F&A recovery (administrative and clerical salaries, office supplies, basic local telephone service, cell phones, routine copying charges, memberships, journals and subscriptions, etc.) can only be charged to sponsored projects if specifically approved in the proposal by the campus pre-award office and by the sponsor.
- i. **Closing out sponsored projects.** All charges should be finalized on the project within 60 days of the project ending date, unless earlier timelines are required by the award. All final reports (including final technical, progress, and invention reports) must be submitted to the sponsor within the timeframe outlined in the award document.
- j. **Reviewing accounting ledgers monthly.** Consistent with Fiscal Policy FI0115, charges appearing on the monthly financial ledger must be reconciled to supporting documentation to ensure validity and accuracy, and all ledgers should be reviewed/verified by the Principal Investigator monthly.

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## Guidelines for Contracts under FAR 52.203-13 and 52.203-14

3. Additional requirements under FAR 52.203-13:
  - a. **Distributing Policy.** Copy of this policy distributed to everyone working on the project, including subawardees, within 30 days after contract award.
  - b. **Displaying Poster.** Fraud Hotline Poster displayed within 30 days after contract award.
4. **Completing Training.** Business Ethics for Sponsored Projects training completed within 90 days of contract award for everyone working on project. Additional requirements under FAR 52.203-14
  - a. **Displaying Poster.** Fraud Hotline Poster displayed in common areas where work under the project is being performed. An electronic version of the poster shall be displayed on the UT website.

## PROCEDURES:

Knoxville:	<a href="http://budget.utk.edu/fiscal-policy/">http://budget.utk.edu/fiscal-policy/</a>
Health Science Center:	<a href="https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;">https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;</a>
Institute of Agriculture:	<a href="https://ag.tennessee.edu/Pages/UTIApolicies.aspx">https://ag.tennessee.edu/Pages/UTIApolicies.aspx</a>
Martin:	<a href="http://www.utm.edu/departments/finadmin/procedures.php">http://www.utm.edu/departments/finadmin/procedures.php</a>
Chattanooga:	<a href="http://www.utc.edu/business-financial-affairs/fiscalpolicies.php">http://www.utc.edu/business-financial-affairs/fiscalpolicies.php</a>

## FOR MORE INFORMATION:

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**Related Policies:** [FI0205 - Sponsored Projects](#), [FI0210 - Sponsored Projects - Cost Sharing](#), [FI0220 - Sponsored Projects - Cost Transfers](#), [FI0230 - Sponsored Projects - Subaward Origination and Subrecipient Monitoring](#), [FI0235 - Sponsored Projects - Program Income](#), [HR0580 - Code of Conduct](#), [FI0115 - Reconciling and Reviewing Departmental Ledgers](#)