

Sponsored Projects Accounting News

Sponsored Projects Accounting

January 1, 2009

Happy New Year!

Please contact us with comments, suggestions, or questions concerning this newsletter at spa@utk.edu

Foreign Travel

Federal agencies generally require prior approval for foreign travel. Contracts should contain approval and specific details on allowability for **all foreign travel**. In addition, some federal agencies require **specific clearance before** each trip occurs. If prior approval is not given, the agency will not pay for the trip.



Also, the agency **can exclude** the traveler's salary and benefits **during the time of the unapproved trip**. For audit purposes, make sure you retain documentation that shows approval. This applies to federal flow-through funds, as well. Sponsored Projects Accounting (SPA) is now auditing foreign travel, and requesting travel be supported or removed from the account.

Training Opportunities

- See page 4 for a complete listing of 2009 scheduled training
- Contact Alice Bradley for further Sponsored Projects training opportunities
abradle4@utk.edu

ECR TIPS

Are You In The Clear?

Departmental certifiers should run the ECR Uncertified Effort Report (ZPR_ECR_UNCERTIFIED) periodically during the month even if they think they have certified all their effort. They may be unaware that pay funding changes have been submitted and approved that result in the need to re-certify effort on some employees.



Please visit the Sponsored Projects Accounting website for forms and documents, links to important websites, and contact information for your Sponsored Projects. (<http://web.utk.edu/~spa/index.html>.)

Top Ten Compliance Hot Topics in 2008

The Huron Group (a top consulting group for higher education research) named ten issues for 2008 that appear to be reviewed most frequently during an audit. They are as follows:

1. Cost Transfers
2. Effort Reporting
3. Sub-recipient Monitoring
4. Direct Charging of Administrative Costs
5. Charging Costs at End of Grant Period
6. Appropriate Cost Charging
7. Recharge Centers/Service Center Rates
8. Fixed Price Agreements
9. Financial Status Reports
10. Mandatory Cost Sharing



UT Battelle Info



If you have projects with UT Battelle, please see important information below:

- Anyone **traveling internationally** for a UT-Battelle project **must** obtain **official clearance** with the Dept. of Energy (DOE). This process is handled for DOE by the Foreign Travel Management System (FTMS). Failure to follow the steps required by FTMS will result in the trip being rejected for payment by Oak Ridge National Labs (ORNL). Patsy Johnson in SPA will be emailing detailed information on this process. If you do not receive this information, and are responsible for a UT-Battelle project with international travel, please contact her (see contact information below) to request it.
- If you become aware of a **person terminating employment** that is paid on a UT Battelle WBS Element or of a **Stop Work** order, please immediately inform Patsy Johnson in SPA in order for proper adjustments to be made ASAP to invoicing the project.
- **To Contact Patsy Johnson:** email at pjohns21@utk.edu or phone at 974-2599.



Allowable and Unallowable Direct Costs



There are certain costs that are **unallowable** and should **never** be charged to a federal or federal flow-through project according to federal guidelines (specifically OMB Circular A-21). A few examples are : entertainment costs, alcoholic beverages, and advertising (except some job recruitment). For a more complete list of **unallowable costs**, please see UT Fiscal Policy FIO205 Sponsored Grants and Contracts, item 12.b Direct Costs -Allowable. **Note: The SPA website provides a link to the Sponsored Grants and Contracts Fiscal Policy FIO205.**

Allowable costs on a sponsored projects account are expensed either as direct charges, or indirect (facilities and administration (F&A) charge). It is important to know which expenses are **already** included as part of the F&A charge so that accounts are not double charged. Expenses such as salaries for clerical positions, or items such as office supplies and postage, are part of the F& A charge, so they **should not** also be charged directly to a sponsored project unless under special circumstances. A list of “**normally direct costs**” versus “**normally F&A costs**” can be found at UT Fiscal Policy FIO205 Sponsored Grants and Contracts, item 12.d Direct Costs - Consistently Treated.

Charges such as administrative salaries and office supplies may be directly expensed to a sponsored projects account if the grant/contract is considered a “major project”. For the definition of a “major project”, see Fiscal Policy FIO205 Sponsored Grants and Contracts, item 14.c. A *Direct Charge Justification* form **must be submitted** with the proposal for these expenses to be allowed. Please read UT Fiscal Policy FIO205 Sponsored Grants and Contracts, items 13–15 Facilities & Administrative Cost for further discussion.

Finally, if upon review, it is found that an account has posted expenses that are unallowable, Sponsored Projects Accounting will remove those expenses and cost share them to the appropriate departmental account.

Did you know?

For most projects that have cost share (match) on them, Sponsored Projects Accounting (SPA) sets up an account to track the cost share. Cost share accounts are set up as “child” accounts under the “parent” main account. When they are set up in IRIS, the cost share accounts are usually connected to an E account (or other account) that will ultimately bear the expense (according to the proposal). Please remember not to close these connected accounts without first notifying SPA so that proper changes/updates can be made in IRIS. If you have cost share on a project, contact the assigned accountant in SPA if you have any questions concerning the cost share account for the project.

2009 Sponsored Projects Training Classes

Available Now:

Advanced Topics & Subcontract Monitoring

Thursday, January 15, 1:30-4:30
238 Conference Center Building

Overview of Accounting for Sponsored Projects

Thursday, February 12, 1:30-4:30
238 Conference Center Building

OMB Circulars & Cost Accounting Standards

Thursday, April 9, 1:30-4:30
238 Conference Center Building

Understanding F&A Costs

Thursday, May 14, 1:30-4:30
238 Conference Center Building

Offered Later This Year

Direct Costing

Thursday, June 11, 1:30-4:30
238 Conference Center Building

Cost Transfers & Closeout

Thursday, July 9, 1:30-4:30
238 Conference Center Building

Cost Sharing

Thursday, September 10, 1:30-4:30
238 Conference Center Building

Advanced Topics and Subcontract Monitoring

Thursday, October 8, 1:30-4:30
238 Conference Center Building

Overview of Accounting for Sponsored Projects

Thursday, November 12, 1:30-4:30
238 Conference Center Building

OMB Circulars & Cost Accounting Standards

December 8, 1:30-4:30
238 Conference Center Building



Note: These classes are taught by Gail White and are offered through Human Resources. Register by phone: 974-6657 or at <http://uthr.admin.tennessee.edu/tandd>.

Important Notice!

Per UT fiscal policy, all fall semester effort must be certified by January 30th, 2009.