

Sponsored Projects Accounting News

Sponsored Projects Accounting

September 30, 2008

Export Control

Handle With Care



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

As the university community becomes more global, it is necessary to be aware of certain issues that are relevant to sponsored projects in your department. One especially hot topic is export control. Although PIs on a project are ultimately responsible for this issue as it relates to their project, it is important for all individuals in each phase of a project's "life cycle" to be knowledgeable in order to make more informed decisions concerning federal compliance on a project. In addition, monitoring is now provided through newly developed IRIS reports.

Export control regulations are federal laws that govern the **export** of strategically important products, services, and technology to foreign nationals and foreign countries for reasons of foreign policy and national security. Export can occur **in the United States** and abroad. In the university setting, the export control issue more commonly faced is "deemed export". Deemed export is the release of export controlled technology to a foreign national in the United States. This can involve the export of critical technology, encrypted software source code, or the "how-to" of a piece of controlled equipment to a foreign student, post-doc or visiting scholar on campus. Such release is "deemed" to be an export to the home country of the foreign national. The transfer of information can take place in many ways which include orally (by phone or face-to-face), written (fax, emails), training sessions, tours, and computer data disclosure.

Areas considered high risk at the university are: Engineering, space, physical and biological sciences, computer science, biomedical research with lasers, research with encrypted software, research with controlled chemicals, biological agents, and toxins.

Training

Opportunities

- Oct. 9, 2008, Direct Costing, 1:30-4:30, Gail White
- Nov. 13, 2008, Cost Transfers & Closeout, 1:30-4:30, Gail White
- Dec. 11, 2008, Cost Sharing, 1:30-4:30, Gail White
- Contact Alice Bradley for further Sponsored Projects training opportunities
abradle4@utk.edu



Export Control Cont.



It is important to be aware of the seriousness of this topic. There are **severe penalties** for non-compliance such as:

- Criminal penalties (including fines and/or prison sentences for individuals) and civil sanctions.
- May affect future research opportunities.
- Fines of up to \$1,000,000.
- Prison sentences up to 10 years.
- Negative publicity for the University.

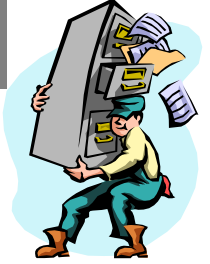
What Should Departments Do Concerning Export Control and Foreign National Restrictions?

Questions concerning these issues should be raised as a proposal is being developed by persons involved in this process. Any questions should be directed to the Office of Research as soon as possible.

Also, as previously mentioned, IRIS reports have been developed for departmental monitoring of potential export control issues and foreign national restrictions on federally sponsored projects. It is important that **departments with federally sponsored projects** or **sponsored projects with federal "flow through"** run these reports monthly. One IRIS report that should be run each month by departments with federally sponsored projects is the *Export Control Report (ZPS_EXPORT_REPORT)*. This report alerts departments to any project within their fund center that has been "flagged" by the Office of Research as potentially having export control issues. Another report departments with federally funded projects should run monthly is the *Export Control Monitoring Report (ZPO_EXPORT_CONTROL)*. This report identifies departmental employees from foreign countries posted to the "restricted" list. SPA is presently developing instructions for these two reports. This information will be placed on the SPA website. In the meantime, please contact Alice Bradley in SPA at abradle4@utk.edu if you have questions concerning these reports.

The export control discussion in this newsletter is for general informational purposes only. It is not intended to be all-inclusive. For a more thorough discussion of this topic, and especially if you think you are financially administering a sponsored project that might have export control or foreign national restriction issues, please visit the Office of Research's website, choose *Compliance* from the menu and then *Export Control*. Robin Witherspoon is the Office of Research Export Control Officer for the Knoxville campus. Her contact information is on the website. If you have any questions or concerns involving a project in your department, please contact Robin Witherspoon.

Sponsored Projects Record Retention



Supporting documentation for expenses on sponsored projects should be kept in the PI's department a minimum of 6 years after termination of the project. With federally sponsored projects, records should be kept a minimum of 6 years **after the sponsor** has closed the project (this can sometimes take additional years **after** UT has closed it). In addition, if the contract for the project addresses the subject of record retention, and it is longer than the minimum retention requirement for UT, that record retention requirement takes precedence. Finally, if the project is being audited, records must be kept until the audit is complete, no matter the time period. For additional information on record retention please refer to UT Fiscal Policy FI0120 on Records Management.



Did you know?

If a department receives a check that is to be deposited to a sponsored project account (an "R" or "N" account), Sponsored Projects Accounting (SPA) asks that you notify the accountant in SPA assigned to that account. SPA is responsible for the correct application of funds to sponsored projects accounts, so they can assist in the correct routing of the money to the project. To determine the accountant assigned to the account, look on IRIS transaction CJ20N - Customer Enhancement tab.

ECR TIPS

When Certifying For Others

When effort is certified in IRIS, this is an assertion that the information represented is accurate and complete to the best of the certifier's knowledge. Therefore, it is important that you obtain the necessary back-up documentation before you certify. Changes to previously certified effort erode the credibility of the certifier, as well as the entire certification process.

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>.)