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KNOXVILLE

Fiscal Control Steps for Sponsored Projects

Fiscal compliance regarding sponsored projects is a priority for the College of Education, Health, and Human Sciences (CEHHS). Below are recommended strategies for faculty and departments to assist them with fiscal management of sponsored projects. See the table beginning on page 5 for a bulleted description of recommended strategies and the definitions on page 7 for explanations about terminology.

Pre-award

At this stage, the Department Head can make decisions about the budget and the project being proposed.

1. Faculty meet with CEHHS' Office of External Funding to review budget.
 - a. Review amount of faculty member's effort on the project and when effort is occurring.
 - i. Does effort align with when work takes place?
 - ii. Does course release need to occur?
 - iii. Is effort occurring when graduate research assistants/associates (GRAs) need supervision?
 - iv. Is effort occurring during travel?
 - v. If costed effort is low, what is the reason? Will non-costed effort occur?
 - b. Review other expected expenses (Principal Investigator [PI] needs to know what expenses will incur to meet specified aims/statement of work) and categorize as direct costs and indirect costs.
 - i. Department Heads can assist with faculty understanding what should be covered by direct costs by being clear on what department resources are available (i.e., what departmental resources supporting teaching vs scholarship), and faculty should meet with Department Heads if there is an expectation that the department will be covering any scholarship costs.
 - c. Review of cost share, if applicable.
 - i. Is cost share required?
 - ii. Is fiscal funding available to cover the department's portion of the cost share?
 - iii. Commitment of funding should be forecasted by department financial staff in the event the proposal is awarded.
 - iv. Department Head should provide written approval to the Office of Sponsored Programs by email or attachment in Cayuse.

Office of the Dean
College of Education, Health & Human Sciences
335 Claxton Complex Knoxville, TN 37996-3400
865-974-2201 865-974-8718 fax cehhs.utk.edu

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- d. Using information provided by faculty, CEHHS' Office of External Funding will give appropriate budget recommendations.
 - e. Faculty are encouraged to meet with their Department Head to review the budget.
 - f. Problematic items discussed between faculty and CEHHS' Office of External Funding will be made available to the Department Head via email, with faculty and Assistant Dean of Research cc'd, before the proposal is routed in Cayuse.
 - g. The above steps can only occur if faculty work with CEHHS' Office of External Funding prior to the Office of Sponsored Programs deadline (5 business days prior to the sponsor due date).**
2. As the proposal continues through the review and approval process, if faculty demonstrate poor decision making to the point that the application puts a large amount of fiscal/compliance risk to the department or college, CEHHS' Office of External Funding will contact the Department Head with specific recommendations to address the issues and/or end the proposal moving forward.
 3. When a Department Head authorizes a project in Cayuse, the Department Head is approving the project as is (scope of work and budget), thus any concerns should be addressed prior to authorizing.
 - a. At a minimum, Department Heads should review the following items before authorizing:
 - i. Budget justification
 - ii. Scope/statement of work
 - iii. Cost share, if any
 - iv. Potential conflicts of interest
 - v. Resources identified in the proposal (copying, printing, space, equipment, administrative support time, etc.) to confirm these are available for use on the project
 4. When the project is routed to CEHHS for approval in Cayuse, if the project is deemed to put CEHHS at risk (i.e., fiscal, research compliance), it will not be authorized until the areas of risk are resolved.

Post-award

At this stage, the management of the project is the responsibility of the PI, who makes decisions about the budget and scope of work, without Department Head approval. Department Heads, departmental financial staff, and CEHHS' Budget Office will provide financial oversight of the project through expense and travel approvals in IRIS and ledger reconciliation/analysis.

1. Faculty and departmental financial staff meet with CEHHS' Office of External Funding and Budget Office in an Award Checklist Meeting to review everyone's responsibilities and address any financial issues/questions. The budget is reviewed during this meeting. The Department Head will be invited to project meetings when projects have a budget over \$1 million, or at the discretion of CEHHS' Office of External Funding and/or Budget Office. The Department Head will be copied on all Award meeting notices as a form of information.
2. When expenditures are processed in IRIS at the department level by financial staff, the expenditures should be compared to the most recent budget and budget justification in Cayuse and identified as being used on the specific project.

- a. When discrepancies occur, departmental financial staff should meet with faculty to address the discrepancy and involve the Department Head and CEHHS' Budget Office as needed (CEHHS' Office of External Funding will provide support as needed).
 - i. If the discrepancy is occurring because the departmental financial staff or the faculty felt that a verbal approval occurred, both the departmental financial staff and faculty member should document the approval (i.e., confirm it with an email in which both are on), and then address how the discrepancy can be resolved (i.e., submit paperwork for official rebudget – see 4.a.i. for steps).
 - ii. If the discrepancy cannot be resolved, the expense should not be approved. The expense must be paid for from other unrestricted accounts within the department (which may involve faculty reimbursement to the department).
- 3. When ledgers are reconciled/analyzed at the department level by financial staff, the expenditures should be compared to the most recent budget and budget justification in Cayuse and payment of invoices should be monitored by the Department accountant after the PI has certified that all work is complete for the referenced time period and these charges are accurate and should be charged to the account.
 - a. When discrepancies occur, see 2.a.i. and 2.a.ii.
- 4. If departmental resources are being used on the project without prior approval, the Department Head should provide information to the faculty (See Pre-award 1.b.i. above) about the cost of the resources to assist faculty with understanding costs of the project, and ascertain if the costs can be moved to the project.
 - a. To ascertain if costs can be moved to the project, faculty, the Department Head or representative, CEHHS' Budget Office and/or CEHHS' Office of External Funding should meet to examine the project's budget and the ability to move the costs to the project.
 - i. Complete appropriate official re-budget, as required by sponsor. (This process should be occurring in the department with the department financial staff and faculty member via completion of the [OSP Award Action](#) and Budget Change Form. It is also suggested that the final budget justification and internal budget worksheet be updated with the most recent change in order to have an up-to-date picture of the project at any given moment. Please feel free to reach out to the CEHHS' Office of External Funding for assistance, as needed.)
 - ii. If costs can't be moved to the project, discuss how the costs will be covered and ascertain if these resources will be needed in the future to complete the project.
 - 1. If the resources are needed in the future, discuss how these will be covered and/or if the scope of the project needs to be adjusted to fit project resources.
 - a. If the scope of the project needs to be changed, contact with the award coordinator in Office of Sponsored Programs should be initiated. The Office of Sponsored Programs representative will contact the sponsor, if needed.

5. If repeated discrepancies in areas #2 and #3 occur, and/or unapproved departmental resources are repeatedly used for the project, a meeting with faculty, the Department Head, and CEHHS' Office of External Funding must occur to develop a formal corrective action plan.

Situations in which post-award steps 2, 3, 4, and 5 have been missed should be addressed in the following ways:

1. If the expense was approved through the department prior to incurring the expense, then the department should cover the cost of the expense.
2. All other expenses can be covered by the department and faculty member as the Department Head sees fit (for example, by an unrestricted departmental account, an unrestricted faculty account [which could include start-up], faculty reimburses UT, or some combination of these methods).

Table of Fiscal Control Recommended Strategies

	Pre-Award	Post Award
Faculty	<ul style="list-style-type: none"> • Meet with CEHHS' Office of External Funding to review budget • Meet with Department Head to review proposal (predominantly about budget and resources needed) • Authorize project in Cayuse (approving project as is) 	<ul style="list-style-type: none"> • Attend Award Checklist Meeting • Resolve approval of expenditures with IRIS as needed • Approve/analyze ledger • Resolve ledger issues as needed (which may include removing expenses) • Resolve use of departmental resources as needed (which may include moving costs onto project) • Develop a corrective action plan as needed
Department Head	<ul style="list-style-type: none"> • Meet with faculty to review proposal (predominantly about budget and resources needed) • Review email from CEHHS' Office of External Funding about potential problematic areas • Discuss with CEHHS' Office of External Funding projects that may be problematic • Authorize project in Cayuse (approving project as is) 	<ul style="list-style-type: none"> • Attend Award Checklist Meeting (as needed) • Approve expenditures in IRIS • Resolve approval of expenditures with IRIS as needed (or not approve) • Resolve ledger issues as needed (which may include removing expenses) • Monitor use of departmental resources • Resolve use of departmental resources as needed (which may include moving costs onto project) • Develop a corrective action plan as needed
CEHHS Office of External Funding	<ul style="list-style-type: none"> • Meet with faculty to review proposal • Send email to Department Head about potential problematic areas 	<ul style="list-style-type: none"> • Attend Award Checklist Meeting • Resolve use of departmental resources as needed (which may

	<ul style="list-style-type: none"> • Discuss with Department Heads projects that may be problematic • Decide to not authorize project in Cayuse if puts CEHHS at risk and issues not resolved 	<ul style="list-style-type: none"> include moving costs onto project) • Develop a corrective action plan as needed
Departmental Financial Staff		<ul style="list-style-type: none"> • Attend Award Checklist Meeting • Commitment for cost share in forecast • Approve expenditures in IRIS • Resolve approval of expenditures with IRIS as needed (or not approve) • Reconcile/analyze ledger • Resolve ledger issues as needed (which may include removing expenses) • Monitor departmental resources • Resolve use of departmental resources as needed (which may include moving costs onto project)
CEHHS Budget Office		<ul style="list-style-type: none"> • Attend Award Checklist Meeting • Resolve approval of expenditures with IRIS as needed (or not approve) • Resolve ledger issues as needed (which may include removing expenses) • Resolve use of departmental resources as needed (which may include moving costs onto project)

Definitions

Budget justification: Categorical description of the proposed costs of a sponsored project.

Cayuse: Research administrative software used at UT in which sponsored projects are routed for authorization prior to submission.

Conflict of interest: A situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another interest.

Costed effort: Effort expended on a sponsored project that is costed to a sponsored project.

Course release: Course release provides faculty with time to undertake sponsored projects in place of teaching. Course releases need to be negotiated as early as possible in the budget building process between faculty members & the relevant Department Head.

Direct costs: Costs that can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organizations guidelines.

Effort: Effort is the percentage of time spent on a particular activity. For sponsored projects it includes the time spent working on a sponsored project.

F&A: Costs that are incurred for common or joint objectives, and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity. Also called indirect costs.

GRA: Graduate research assistant/associate involved on the sponsored project.

IRIS: University branded enterprise resource planning system providing financial, human resources, payroll, procurement, and budgeting functionality across all campuses and institutes at the University of Tennessee.

Ledger: A file/document for recording and totaling economic transactions measured in terms of a monetary unit of account by account type, with debits and credits in separate columns and a beginning monetary balance and ending monetary balance for each account.

Non-costed effort: Effort engaged on a sponsored project that is not costed to a sponsored project.

Pre-award: The pre-award phase of sponsored projects represents the beginning of the sponsored projects lifecycle, which includes announcing opportunities, submitting applications, reviewing applications, and responding to sponsor requests prior to an award.

Post-award: The post-award phase of sponsored projects comprises activities over the duration of the sponsored project award dates, which includes implementing the project, reporting progress on the project, and completing the closeout requirements of the project.

Scholarship: Faculty activity that advances knowledge, commonly described as research.

Statement of work/scope of work: A statement of work defines project-specific activities, deliverables, and timelines for project. A scope of work usually focuses on project-specific activities.