

9. OTHER SPONSORED PROJECTS EXPENDITURES

9.1 Introduction

This section is a brief overview of other, non-salary related sponsored projects expenditures from travel and equipment costs to a brief overview of purchasing. There are several links to UT's fiscal policies that provide more specific details. Thus, it is advised that you spend some time reviewing them.

9.2 Travel

Travel expenditures can be a big part of any sponsored project activity; therefore, it is important that expenditures are to be charged consistently with UT's fiscal policies. However, your sponsor may impose additional restrictions as well. For instance, some awards state that the reimbursement must be made according to their reimbursement rates, not the University's. The following is a link to UT's fiscal policy on travel: <http://www.tennessee.edu/policy> and search for "travel."

It is important that you read and understand the University's travel policy before you travel. The link listed above will help to answer any questions you may have regarding travel costs such as reimbursement for honorariums, restrictions for airline travel, combining personal time with business travel, etc. If you need further assistance, please contact the Treasurer's Office at extension 4-3086.

9.2.1 Travel Reimbursement for UT Employees

When traveling outside Tennessee, the employee must obtain prior approval. The traveler must complete a travel request within the University's IRIS accounting system and obtain approval before travel occurs.

Once returned, the traveler must complete a travel expense report (within IRIS) for reimbursement. Additionally, the employee must obtain original receipts for the following expenditures in order to receive reimbursement:

- Lodging
- Registration Fees
- Airline Tickets
- Rental cars
- Anything else over \$50

Also note that use of procurement cards for travel is prohibited; however, UT does offer a corporate travel card program.

9.2.2 Travel Reimbursement for non-UT Employees

Non-UT employees, who are to be paid by the University for their travel, will be reimbursed using the same reimbursement rates as employees (or as stated in the terms and conditions of the sponsored agreement). In order for the traveler to be paid, the University must have the guest's signature for the reimbursement, whether the guest signs the travel expense report or the guest signs a letter detailing the expenditures with the required original receipts attached.

9.2.3 Foreign Travel

International travel requires additional approvals per a travel request within IRIS. Sponsors can be quite restrictive of foreign travel; therefore, it would be advisable to ensure you have obtained prior permission.

9.2.4 Motor Pool

The University maintains a fleet of vehicles for employees' use for travel. The project expenditure account will be charged based the number of miles traveled. Note that the rate charged is not the same as the personal vehicle mileage rate. This may present a potential problem with your sponsor.

9.3 Equipment and Supplies

Prior to incurring such expenditures, you want to ensure that you included these items in the approved budget and received the necessary approvals, both internally and externally. This is to ensure that the University is in compliance with costing principles. If these items were not included in your proposal, you may need to seek sponsor approval prior to purchase. Please review your award agreement and the applicable regulations from your sponsor. If you have further questions, please contact the Sponsored Projects Accounting office for assistance at 974-2591 or Office of Research for budget revision assistance at 974-3466.

9.3.1 Equipment

The University defines this as items acquired by purchase, gift or assembly which have the appearance and life, is repairable, and maintains its own identity. The item must be valued at \$5,000 or above. The department is responsible for maintaining physical control and ensuring equipment is tagged and tracked through the University's inventory system. To view the University's equipment fiscal policy, visit <http://www.tennessee.edu/policy> and search for "equipment."

9.3.2 Supplies

Supplies are consumable goods that are valued at less than \$5,000 and have short expectant life. Examples are as follows:

- Laboratory supplies – such as chemicals, glassware, etc.
- Minor sensitive equipment

Office supplies are generally not an allowable expense on a sponsored project, particularly if the project is federally funded; however, there are exceptions, such as if your award qualifies as a major project. Please see the fiscal policy titled “Sponsored Grants and Contracts” for further details.

Minor sensitive equipment is those movable items valued between \$1,000 and \$4,999.99 that are particularly vulnerable to theft. The State of Tennessee requires that the University maintain inventory of such items. Examples of minor sensitive equipment include computers, microscopes, fax machines, spectrum analyzers, etc. A complete list of these items can be found in the university’s equipment fiscal policy, section 15 b.

9.4 Purchasing from Campus Units

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9.5 Purchasing from Off-Campus Suppliers

Purchasing goods and services from off campus suppliers can become very confusing and heavily regulated. There are several fiscal policies that are recommended you read before making your first purchase. Also, be cautious of your sponsor's own regulations as there may be some additional restrictions. Listed below are the policies that can be found at <http://www.tennessee.edu/policy>.

- FI0405 PURCHASING - GENERAL POLICIES
- FI0415 PURCHASING - REQUISITIONS AND PURCHASE ORDERS
- FI0530 PROCUREMENT CARDS
- FI0505 PROCESSING AND PAYING INVOICES
- FI0515 PAYING CONTRACTORS
- FI0410 PURCHASING - BIDDING REQUIREMENTS

9.5.1 Purchase Limits

9.5.1a Purchases of goods and services up to \$5,000.00

Goods and services may be purchased directly and paid by either procurement card (p-card) or the vendor may directly bill the University. (See section 9.6 for further information regarding the use of procurement cards). In addition, an individual can purchase items with personal funds and be reimbursed through a petty cash reimbursement form, T-44.

9.5.1b Purchases over \$5,000.00 and up to \$25,000.00

This requires a purchase requisition processed through the IRIS accounting system and the Purchasing Department. At least three bids must be solicited.

9.5.1c Purchases over \$25,000.00

This also requires a purchase requisition and the assistance of the Purchasing Department. A formal sealed bidding process must be done with a minimum of 15 bids solicited.

9.6 Procurement Cards

The p-card program, available at the University, was established as a means to provide more efficient, cost-effective alternative for departments to make purchases more easily, save time and money by consolidating paperwork, and make timelier payments to vendors. It also reduces the need for a departmental petty cash account. P-cards can be used to make purchases up to \$5,000 per transaction. Because of the ease of use, this process is heavily monitored and audited to ensure correct usage. The fiscal policy also contains a list of unauthorized uses such as gift cards, personal use, and use for travel expenditures. For more information, visit <http://www.tennessee.edu/policy> and search for "procurement card" to review the fiscal policy.

9.7 Invoice Vouchers

Most goods and services under \$5,000 can be purchased and paid by an invoice voucher. The departmental specialist enters these payments into IRIS for payment and payment is subject to approval by department head or other designated authorized person. However, in some cases, further review and approvals are necessary, such as for travel reimbursements and payments for personal services. Advance payments and payments to an individual for services must complete additional forms T-29 and T-27, respectively. Visit <http://www.tennessee.edu/policy> and search for "invoices" for guidance on proper procedures on processing and paying invoices.

9.8 Purchase Requisitions

If you need to purchase an item or services for your sponsored project costing over \$5,000, then you must follow University guidelines for submitting a purchase requisition. Individuals do not have the legal authority to enter into contracts; thus, you need to work with the Purchasing Office. This process can be time consuming; therefore, you need to allow plenty of time to complete this process. The information needed to complete the purchase requisition is as follows: suggested source, source address, date needed, quantity, description, estimated costs, and WBS element or cost center to be charged. Please consult fiscal policies for a review of the steps involved.

9.8.1 Non-Competitive Purchases (Sole Source Contracting)

There are times when a sponsored project has specialized needs that require a specific vendor. Listed below are two such situations that warrant sole source contracting:

- Only one product or service can meet the specific need and the required product or service is available from only one source.
- Compatibility or consistency with past acquisitions of products or services is essential (e.g., avoiding additional costs by changing the supplier of the product or service).

Departments that meet these situations are required to complete the *Justification for Non-Competitive Purchases and Contract* form ([Link](#)).

9.9 Framework Orders

Framework orders are purchase orders that may be for non-specific purchases. The University has framework orders established with several vendors for discount prices and should be utilized as much as possible. Listed below are the more commonly used vendors.

9.9.1 Staples, Inc.

Staples, Inc. has been chosen to be the supplier of the University's office supplies. Departments can order supplies from their website and Staples will deliver to their office the next day. Payments can be made either from a p-card or invoice against the framework order.

9.9.2 Dell Marketing Inc., Gateway Companies Inc., Pomeroy Computer Resources, APPLE Computer

The University has several framework orders for many computer choices and computer accessories. However, the purchasing of all computers must be made through the Office of Information Technology (OIT). Please see their website for ordering: <http://oit.utk.edu/>.

9.9.3 United Parcel Service

United Parcel Service (UPS) is the vendor of choice for all shipping and express delivery of packages and letters for both domestic and international locations. UPS offers pickup and delivery services to your department.

Additionally, departments may create their own framework purchase order if a particular vendor is to be used multiple times for purchases exceeding a combined total of more than \$5,000 over an extended period. This reduces the paperwork a department needs to submit since one purchase order would be needed for the repeat purchases.