



Sponsored Project Administration

Procedure:	Outgoing Subaward Invoice Processing Procedure
Owner:	Sponsored Project Administration
Effective date:	06/25/2018
Last Updated:	06/25/2018

Background

During the course of an award, Principal Investigators may issue sub awards to other institutions to support their research aims. This document outlines the process SPA Financial Analysts, UVM Principal Investigators, and Unit Administrators will follow to ensure the timely payment of a subaward invoice and to ensure compliance with Office of Management and Budget (OMB) regulations, (Uniform Guidance). While it is consistent with uniform guidance, this procedure applies to both federal and non-federal sponsored agreements.

Purpose

This document sets forth the procedure for the processing of outgoing subaward invoices and relates to following documents:

1. [University Operating Procedure: Issuing and Monitoring Subawards on Sponsored Agreements.](#)
2. [SPA Procedure for Issuing and Amending Outgoing Subaward](#)

Roles and Responsibilities

Financial Analyst (FA)

- Reviews invoices to ensure consistency with subaward requirements and provide assistance to PI/UA in the event of budgetary/financial issues.

Outgoing Subaward Specialist (OSS)

- Manages subaward drafting, negotiation, maintenance of the subaward tracker log (not to be confused with the Subaward Invoice Log), and subaward purchase order/requisition.

Principal Investigator (PI)

- The holder of an independent grant administered by the University and the lead researcher for the grant project. The PI holds the primary responsibility for monitoring, reporting on the subrecipient's work, and approving invoices from the subrecipient.

Unit Administrator (UA)

- Assists the PI in obtaining approval of subaward invoices. If receipts are required, the UA reviews receipts and other invoice backup documentation for accuracy in accordance with the invoices received.



Definitions

PeopleSoft (PS): The University of Vermont financial system.

Purchase Order (PO): UVM Purchasing Services document requested by the Outgoing Subaward Specialist detailing the amount UVM agrees to pay the sub recipient for services performed during a specific period of performance, in accordance with the scope of work in the Subaward Agreement.

Subrecipient: A legal entity designated by a UVM PI to perform a portion of an agreed upon scope of work.

Subaward Agreement: An agreement, written under the authority of and consistent with the terms and conditions of a prime award (the award made directly from the sponsor to the University), that transfers a portion of the sponsored work to another institution or organization. A subaward is not the procurement of goods and services.

Subaward Invoice Payment Certification: Form that authorizes payment of a subaward invoice to assist compliance with both the Uniform Guidance and University disbursement requirements.

Subaward Invoice: The invoice submitted by the subrecipient for work completed to accomplish the scope of work outlined in the subaward agreement.

Subaward Invoice Log (Log): An Excel spreadsheet used by SPA Financial Analysts to track receipt, approval, and submission for payment of all subaward invoices.

Procedure

Purchase Order Receipt and Initial Record Creation into Subaward Invoice Log

- As part of the outgoing subaward process, a Purchase Order is generated that encumbers the funds obligated to the subaward. The subrecipient is to reference the PO number on all invoices being submitted to UVM for payment.
- A copy of the PO and any change orders created after the fact are provided to the FA.
- Upon receipt of a hardcopy of the PO and the signed subaward agreement (note that sometimes it is an amendment to the Subaward Agreement), the FA confirms the PO reflects accurate award information:
 - Award Number
 - Project number
 - PI
 - Dates of Service
 - Costs
 - Special Terms and Conditions
 - Cost Share (if applicable)
- The FA contacts the OSS if there is any incorrect information found on the PO and assists with resolving any issues.
- The FA creates the initial record in the Subaward Invoice Log to reflect the information shown on the newly received PO.
- SPA maintains a copy of the PO and Subaward Agreement documents.

Processing Sub award Invoice for Payment

- Upon receipt of a subaward invoice, the FA performs the following steps:



- Places an entry into the subaward invoice tracker log to record information about the invoice.
 - Reviews the invoice to ensure:
 - The invoice number is not duplicate.
 - The invoice billing period does not overlap a previous invoice billing period.
 - The correct F&A rate has been charged.
 - The current and cumulative totals are correct.
 - The remaining balance on the PO is adequate to cover the current charges on the invoice.
 - Cost share, risk factors, and other reportable expenses are appropriate and/or allowable under the terms of the PO/sub award agreement.
 - There is a certification statement on the invoice and that it has been signed by the sub recipient's authorized agent.
 - If it is a final invoice, confirms it is marked "Final". If not, the FA will reach out to the sub recipient to get a revised final invoice.
 - Where an invoice is non-complaint in form and format, the FAs will contact the subrecipient for resolution. If the process is not going to be resolved quickly, the FA should notify the PI and the UA of the issue.
 - Populates the [Subaward Invoice Payment Certification Form](#).
 - Sends the pdf containing the Subaward Invoice Payment Certification Form with SPA sections completed and the invoice to the UA for PI review and approval.
- The PI reviews the invoice to ensure the charges are consistent with the effort performed and is in accordance with the terms of the subaward agreement. More specifically that:
 - The costs presented in the invoice are reasonable and appropriate for the work performed to date.
 - The sub recipient is making sufficient progress on deliverables and performance of the subaward.
 - All reports and deliverables have been received, as required by the terms of the subaward.
 - If the PI has concerns about paying the invoice, it is their responsibility to reach out to the subrecipient to resolve them.
 - If the PI is satisfied with the invoice, the PI or designee, authorizes the payment of the invoice by completing the Subaward Invoice Payment Certification Form and returning to the FA.
 - If the PI does **not** authorize the payment of the invoice, the PI completes the Not Approved payment section of the Subaward Invoice Payment Certification Form and returns it to the FA.
 - The FA will coordinate with the PI or UA a response to the subrecipient regarding invoicing concerns.
 - The UA sends one pdf containing the signed Subaward Invoice Payment Certification form and the associated invoice to the FA.
 - If receipts or backup are required, the UA would also include this documentation in the email to the FA.

Finalizing the Process and Send to Disbursements for Payment

- The FA reviews the signed Certification form for completion, signatures and all required information.
- For international sub recipients to be paid via a wire transfer, the FA facilitates the completion and approval of the [UVM Controller's Office International Wire form](#). This form contains the sub recipient's banking and routing information.
- The FA updates the Subaward Invoice Tracker Log with the completion date.
- The FA saves the pdf to a shared file folder location.
- The Operations and Office Support Administrator on every Monday, Wednesday, and Friday:
 - Emails all pdf's located in the Invoices to be Paid folder to Disburse@uvm.edu.
 - Maintains an electronic copy of the invoices sent to disbursements.



- Disbursements will pay invoices within 30 days of the invoice date (or upon receipt if it is over 30 days).
- If any issues are found with the payment process, Disbursements will contact the assigned FA for resolution.

Helpful Links

[Subrecipient Monitoring Reminder Letter](#)

[Subaward Invoice Payment Certification Form](#)

Document Change Record

Date	Version	Author	Change Details
06/25/2018	1	SPA	Initial release