



Sponsored Project Administration

Outgoing Subaward Invoice Processing

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Procedure:	Outgoing Subaward Invoice Processing Procedure
Owner:	Sponsored Project Administration
Effective date:	06/22/2018
Last Updated:	08/11/2022

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

Subaward Module: A PeopleSoft Page created to track all subaward agreements and invoices from receipt through to approval and submission for payment.

Procedure

Purchase Order Receipt and Initial Record Creation into the PeopleSoft Subaward Module

- 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.
- The OSS creates the initial record in the PeopleSoft Subaward Module. The PO details are linked in the record and a copy of the agreement is attached.
- SPA maintains a copy of the PO and Subaward Agreement documents.

Processing Sub award Invoice for Payment

- Upon receipt of a subaward invoice, the OSS completes the Subaward Invoice Detail Entry tab in the Subaward Module to record information about the invoice. A copy of the invoice is attached. The invoice is then placed in the “Entered/Received” status for the FA to review and process.
- The FA 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.
- The FA Populates any remaining fields in the Subaward Module and sends to the PI for approval in the system.
- The PI receives an automated email notification alerting them they have an invoice to review and approve. 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 clicking the approve button in the review subaward invoice screen.
 - If the PI does **not** authorize the payment of the invoice, the PI clicks on the deny button in the review subaward invoice screen, enters a comment, and the invoice is returned to the FA.
 - The FA will coordinate with the PI or UA a response to the subrecipient regarding invoicing concerns.

Finalizing the Process and Send to Disbursements for Payment

- The FA goes into the Subaward Module and locates the invoices that are approved and ready to be sent to disbursements for payment.
- The FA generates a "quick invoice" sending it into Disbursements queue for payment processing.
- 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.
- 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](#)