



Subrecipient monitoring is an important compliance measure in managing research grants and contracts. Review of invoices for financial accuracy and programmatic performance is required per Uniform Guidance.

Objective

- Review subaward invoices for financial accuracy and programmatic performance and approve within 30 calendar days of receipt.

Purpose

- Provide guidance to Project Administrators/Research Administrators on review, approval, and denial of subaward invoices and associated documentation.

Definitions

Project Administrator (PA): Name of the individual in the Center department responsible for oversight of the entire award. They have full access to all projects for the award for all access types.

Research Administrator (RA): Programmatic individual(s) assisting and/or facilitating research projects.

- *Note:* A single individual can be, and often is, both the PA and RA.

General Tips

- **Planned Absences: Identify back-up approver in out-of-office notification** – If a PA has planned time out of the office, it is essential they utilize the “Out of Office” email notification and include directions to Accounts Payable (AP) to hold invoices until their return or identify another administrator who can approve in their stead. *Please note, even when out of the office a 10 business day turnaround is still required.*
- **Send all invoices received directly from the subrecipient to AP** – All invoices should be sent directly to AP by the subrecipient in order to be considered proper. If an invoice is received directly by the program, verify that AP was copied on the email, and if not, immediately forward it to AP via email at apdept@fredhutch.org or interoffice mail at J4-500 for entry into OnBase.
- **Accessing OnBase** – PAs can access invoices in OnBase via the email notification or through CenterNet. OnBase is not available as a shortcut on CenterNet; however, the login page can be found via the search tool.
 - Once in OnBase, change the top drop-down from “Document” to “WorkFlow.” In WorkFlow expand “Invoice Approval” and click on “AP-IA – Approvers” to see a list of invoices awaiting approval. *Refer to [OnBase Quick Reference Guides on CenterNet](#).*
- **Individual Access to Invoices** – OnBase only allows one individual to have access to an invoice at any given time helping to avoid duplicating effort and payments. AP will not have access to invoices when they are in the PA’s queue to review.
- **Be aware of AP check run dates** – The PA should be aware of the AP check run dates. Invoices approved by 12pm on Monday should be included in the Wednesday check run. Missing a weekly check run may put an invoice payment at risk of not meeting the UG 30 calendar day payment requirement.



Procedures

- **Begin review of invoices immediately** – Once in OnBase, invoices are vetted by AP and forwarded to the PA associated with the award in PeopleSoft. This generates an email to the PA to request processing of the invoice. It is important that the PA begin review of subaward invoices soon after receiving them via OnBase so that a thorough review can be achieved within 10 business days.
- **Reviewing an invoice** – Invoices are required to be reviewed for both financial accuracy and performance.
 - Financial review should consist of comparing proposed expenses to actuals by budget category, determination that expenses are allowable per the terms of the award, and finding any mathematical discrepancies.
 - Performance review consists of comparing the invoiced expenses to the performance of the subrecipient during the invoice period. Best practices for a thorough invoice review can be found in the Subaward Invoice Review Checklist.
- **Researching Improper Invoices** – If an “improper” invoice can be resolved with a revised invoice, it should be noted as improper and researched. This determination should be made within 30 days of receipt and resets the clock on the requirement while the invoice is researched.
 - In OnBase, add an “approver’s note” to the invoice noting the specific reason why the invoice is improper and that it is being researched for payment and return the invoice to AP. The PA of the award should also notify the subrecipient by email* to inform them that the invoice is improper and request further documentation and/or a revised invoice.
- **Denying Improper Invoices for Payment** – If an invoice is deemed “improper” and resolution is not able to be reached without reissue of a new invoice, it should be considered denied for payment. This determination should be made within 30 days of receipt, and stops the clock on the requirement.
 - To deny payment of an invoice in OnBase, add an “approver’s note” to the invoice noting the specific reason that the invoice is denied for payment and return the invoice to AP. The PA should also notify the subrecipient by email* that the invoice is being denied for payment and include an explanation as to why.

* Email is the preferred method of communication as it provides back-up documentation that the notification to the subrecipient was made.

Common Subrecipient Invoice Issues

- **Invoices include charges outside of the project period, i.e. Expired Subawards.** This constitutes an improper invoice, and the invoice should be denied.
- **Charges not clearly identified and/or not included in the approved budget, e.g., travel, consultant charges.** Discuss these charges with the PI of the award to determine if they are allowable, appropriate, and within the scope of work originally agreed upon. If the PI determines that the charges are appropriate, contact the Contract Specialist assigned to the award for guidance. If the charges are not appropriate, the invoice should be denied.
- **PO/Subaward number not included or incorrect.** If the approver is unable to locate the PO number on the invoice, but other identifiers make it so that it is easily linked to an existing subagreement, the PA of



the award can look up the current PO number in the fully executed subagreement or the Hutch Analysis & Reporting Portal (HARP). To find the current PO number in HARP, query the current budget year for the associated Project ID and view the Encumbrance summary on the Budget to Actual pane. *Note:* If a previous year's PO was rolled forward, there will be two POs listed in this summary for the same subrecipient. If the PA is not able to link the invoice to a PO number, the invoice is improper and should be denied or researched.

- **Mathematical errors in the calculation of the F&A or the cumulative charges to date.** This constitutes an improper invoice and it should be denied. The PA should request a revised/corrected invoice from the subrecipient.
- **New charges for previously billed period within current period of performance.** The PA for the award should review previously billed invoices to ensure the new charges are not duplicative. If necessary, they should request further documentation from the subrecipient supporting these charges. If the charges are duplicative, the invoice should be denied.

Invoice Approval Certification/Documentation

By approving the invoice you certify that, with direct knowledge, you or the PI have reviewed the expenditures and determined that they are reasonable in the context of the subrecipient's activities performed to date. You also certify that you have received and approved all technical reports required to date and are satisfied with the subrecipient's project performance.

Due to the nature of the PI role on a project, he/she inherently has direct knowledge of subrecipient activities and performance. If an individual other than the PI approves an invoice, it is important to be able to demonstrate how that direct knowledge was obtained. It is expected that departments will determine a practice that achieves this standard.

Potential examples of these practices:

1. **The RA forwards the invoice to the PI for approval in OnBase.**
2. **PI completes and signs the "Invoice Payment Checklist" approving payment of the invoice.** With this documentation, the RA approves the invoice in OnBase and retains the documentation in their file.
3. **The RA requests the PI's approval via email.** With a response of approval, the RA approves the invoice in OnBase and retains documentation in their file. Example email:

*"Please review the attached invoice from **Subrecipient Institution, Sub-PI - Name, PO Number** in the amount of **\$xx.xx**. If you find these charges acceptable, please respond to this email so that the payment may be processed.*

By approving the invoice, you certify that you have reviewed the expenditures and determined that they are reasonable in the context of the subrecipient's work performed to date. You also certify that you have received and approved all technical reports required to date and are satisfied with project performance."



4. **Meets monthly with PI to discuss subrecipient's performance** to obtain direct knowledge of the activities performed and expectations of future invoices. Documentation of this option include: meeting agendas, notes from meetings, etc.
5. **PI signs and dates the paper invoice noting performance review and approval.** With this documentation, the RA approves the invoice in OnBase and retains the documentation in their file.