Subaward Online Invoice Review and Approval Process
Agenda

• Need for Improvement
• Federal Requirements
• Process Enhancements
• Invoice Submission
• Notification and Workflow
• SIR Invoice Review/Hold Reasons/Resolution
• SIR Approval and Delegation Authority
• PI Certification Process
• Payment Monitoring and Statistical Reporting
Need for Improvement

• OMB Circular A-110 Subpart C. Post-Award Requirements – *recommended* practice

• Uniform Guidance (UG) Subpart D. Post Federal Award Requirements – *required* practice
Federal Requirements

• Relate financial data to performance accomplishments;

• Monitor activities to ensure subaward is used for authorized purposes, in compliance with relevant guidelines, and subaward performance goals are achieved;

• Pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.
Process Enhancements

• Invoices will be submitted electronically to Accounts Payable Services (APS) for processing
• The invoice and all attachments will be saved to the FI accounting document and stored electronically
• An email will be submitted to the Subaward Invoice Reviewer for invoice review then to the PI for approval
• Invoice approvals can be monitored for compliance with payment window
• Metrics for payment issues can be collected and incorporated into risk assessment
Invoices Submission and Approval Process
Invoice Submission and Processing

- Invoices are submitted electronically by the subrecipient directly to Accounts Payable using the [APPoinvoices@uky.edu](mailto:APPoinvoices@uky.edu) email address.
- The invoice is processed for payment with a manual payment block set to “Z” Subaward Block.
- The BaselineDt is entered based on the receipt of the invoice in the email inbox and is used as the Receive Date to track the 30 calendar day payment requirement.
Invoice document 5106812908 was posted; blocked for payment
Invoice Submission and Processing

• The invoice and any additional documentation is attached to the FI accounting document at the time of invoice creation
• The documentation is included in an attachment list that is maintained with the FI accounting document electronically, eliminating the need for filing at the department level
• Once the invoice is posted by APS, it is considered expensed and will be included in the ledger
Notification

- An email is generated to notify the appropriate individual an invoice has been processed and is ready for review and approval.
- The process will default to the PI listed on the responsibilities tab of the grant account.
- Each department on campus has the option of creating a Subaward Invoice Reviewer (SIR) on a grant or department level basis.
- This person will be notified prior to the PI and will be required to approve the invoice before it is sent to the PI for certification.
- The level of approval is not dictated centrally, but defined by the individual departments.
- The SIR and PI approval process must be completed within the 30 calendar day payment window.
SIR Request

• Requests for SIR designations should be submitted to subawards@uky.edu
• Any designation by department number will be maintained by RFS and added for future accounts
• Grant level designation will require notification with each new account
SIR Designation

- The SIR designation is listed on the Responsibilities Tab in SAP for each grant account.
SIR Email Notification

From: Betch User <wfbatch@email.uky.edu>
To: Henson, Stuart
Sent: Tue 1/5/2016 4:14 PM

Subject: Please review invoice 10-20020

Please review the invoice in the link below from your subawardee. If the expenses are consistent with the budget and they are reasonable for the progress achieved at this time, please approve the attached as soon as possible to ensure payment is released within 30 calendar days of receipt of this invoice.

If you are unable to approve the invoice because it is over the budgeted amount, progress is unsatisfactory at this time, or any other issues with the scope of work or invoice, please include the subawards@uky.edu email address on your correspondence with the subawardee about non-payment or possible payment delays pending resolution.

Please review invoice 10-20020

Click on the link below to access your Universal Work List:

http://go.uky.edu/myukqas_uwl

or log in to the portal at https://myuk.uky.edu/iri/portal, then click the "Approver" tab to pull up the workflow information.

If you have any problems logging on, contact your system administrator.

Please do not reply to this email.
SIR Workflow

• Click on the link in the email, which takes you to the inbox as shown below; click “Process Invoice”
SIR Invoice Review

The review screen includes relevant invoice information, the attachment, and the Approve, Hold and Exit buttons.
SIR Invoice Review

- All attachments to the FI accounting document will be listed and sorted by create date.
- Each invoice should have at least two attachments; the email and the invoice.
- The email documents the received date entered and should be reviewed for accuracy as well as the invoice.
- As the attachments are made to the FI accounting document, they are available for viewing by anyone once uploaded by APS via transaction FB03.
SIR Invoice Review

- To review the document, double click the item to review under the description column.
- Depending on the web browser used, a secondary window will appear to open the document; examples are shown below.
**INVOICE**

Please Remit To:
University of Louisville Research Foundation
Sponsored Programs Financial Administration
University of Louisville
Stevenson Hall #516
Louisville, KY 40292

Customer No: 3173
Payment Terms: DuPont
due

Date: 11/1/2015
Billing Period: 7/1/15 - 7/31/15
Project End Date: 7/31/2015

AMOUNT DUE: $ 13,077.70

AMOUNT REMITTED: $ 

For Billing Questions, please call: Wesley Adam Price (502) 852-5488

***Please reference account number in the header.***

<table>
<thead>
<tr>
<th>Description</th>
<th>PR/UR Previous</th>
<th>CURRENT 7/1/15-7/31/15</th>
<th>COMPLETED 7/1/15-7/31/15</th>
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<tr>
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<td>2,602.58</td>
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<tr>
<td>Materials</td>
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</tr>
<tr>
<td>Travel</td>
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</tr>
<tr>
<td>FEA</td>
<td>33,013.24</td>
<td>1,091.75</td>
<td>34,104.99</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 124,818.50</td>
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<td>$ 124,818.50</td>
</tr>
</tbody>
</table>

CURRENT AMOUNT DUE: $ 13,077.70

This request represents reimbursement of expenses incurred during service period. These rates are appropriately aligned and in accordance with agreement and have not been previously reimbursed.

Sponsored Programs

For Federal Awards: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate and the expenditures, disbursements and encumbrances are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3803-3812.)
SIR Invoice Review

• Review the email to verify the received date noted in the approval screen matches the date of the email
• As this date determines timeliness of payments, it is important to ensure it is correct
• If issues are identified, an email should be sent to nicole.bell@uky.edu in APS with a copy to subawards@uky.edu for corrections
• This is not an error with the invoice; so it does not justify withholding a payment beyond 30 days
• At this point, hold reasons are reserved for any issues with the invoice as submitted by the subrecipient
SIR Invoice Review

- Review the invoice for accuracy and completeness
- Any issues should be emailed to the contact listed on the invoice with a copy to subawards@uky.edu for monitoring and reporting purposes
- If issues are identified, a hold should be placed on the payment
- Close the attachment, then click the hold button on the review screen
SIR Hold Reasons

- Click the arrow to the right of the reason box for a dropdown of hold reasons; click Help for examples.
SIR Hold Reasons

• Deliverables and/or progress reporting requirements have not been met and/or provided
  – Progress report provided is inadequate; no communication has been received regarding the progress being made on the project; deliverables listed in the agreement have not been provided, etc.
SIR Hold Reasons

• Amount invoiced is not consistent with programmatic progress made to date on the project
  – The investigator has indicated the project has been completed, yet the invoice is for less than half the budget; the investigator indicates there is a delay in starting the project, yet an invoice is received for a significant amount, etc. The invoice should be reviewed to ensure it is reasonable in relation to the work performed. Any questions should be addressed to ensure a correction is not necessary.
SIR Hold Reasons

- Cost share requirements have not been met and/or documented on invoice
  - The agreement includes a 1 to 1 match, but they have no cost share listed on the invoice; the agreement includes a 1 to 1 match, but only 50% has been met according to the invoice, etc. The invoice should include cost share expenses as well to document compliance with the agreement.
SIR Hold Reasons

• Invoice does not meet contractual requirements
  – Invoice does not include breakdown of categories such as salaries, materials & supplies, services, etc.; budgets have changed without necessary approvals; invoice amount will overspend the budget; invoice was not received in the timeframe listed in the agreement; etc. All invoices should include a categorical breakdown of direct expenses, as well as indirect expenses; invoices should also be received according to the frequency listed in the agreement. Some approvals may be required for budget changes. Ensure they have been communicated as necessary.
SIR Hold Reasons

• Invoice period/period in which expenses were incurred on the invoice is outside the budget period of the grant
  - Invoice period for expenses is listed as 6/1-6/30, but the budget period on the award ended 5/31; invoice period listed is 1/1-1/31, but the budget period does not begin until 2/1 and no pre-award costs were approved; etc. All expenses must be incurred within the budget period of the account. Invoice periods outside the budget date could indicate unallowable expenses have posted. Note: If the invoice date is outside the budget period that is fine. That is just the date the invoice was generated. As long as the account is still open for expenses to post and invoice period is listed and within the budget period of the project the invoice is valid.
SIR Hold Reasons

• Invoice includes questionable expenses
• Invoice amount in question
• Pending receipt of credit memo to remove expenses/adjust invoice amount
• Invoice received after final financial report has been submitted to sponsor
• Other – see long text
SIR Hold Button

• Once the appropriate reason is selected, add any relevant information in the notes section and click the Hold button

• Click the Yes button to complete the hold
• The invoice is now in process and included on the report for tracking, but will not be released for payment until action is taken to approve the invoice
SIR Hold Resolution

• Although the institution is allowed to hold a payment beyond 30 calendar days if the invoice is improper, the reviewer must take all actions to resolve the issue in a timely manner

• All correspondence should be copied to subawards@uky.edu for monitoring and reporting purposes

• Once information is received that resolves all invoicing issues, the payment must be released immediately
SIR Hold Resolution

• If the amount of the invoice should be reduced, the subrecipient should submit a credit memo to Accounts Payable via APPOinvoices@uky.edu
• The credit will be processed exactly as the invoice process described previously
• Once the credit memo is reviewed, the approval process below should be followed for both the original invoice and the credit memo
• Both documents will be processed to net to the accurate payment amount
• If the subrecipient cannot produce a credit memo, the subsequent invoice should reflect the credit
SIR Hold Resolution

• The invoice will be held until the subsequent invoice is received and the credit verified

• Once the subsequent invoice has been reviewed to ensure the credit is reflected and the remaining invoice is appropriate, the approval process below should be followed for both the original invoice and the subsequent invoice

• Both documents will be processed to net to the accurate payment amount

• If the issues cannot be resolved and the invoice needs to be deleted, please submit a detailed request to subwards@uky.edu
SIR Invoice Approval

- Once the invoicing issues have been resolved, go back to the workflow to release payment
- Either go back through the link on the email or go directly to the workflow in myUK
- Click on the Enterprise Services tab and click the Workflow link to get to tasks in process
• Identify the invoice to be processed in the task list and click the process invoice button to approve the subaward invoice.
SIR Invoice Approval

• Click the Approve button, then click yes to acknowledge the review process has been completed according to the departmental guidelines established.
SIR Additional Documentation

• Any additional documentation received (i.e. an updated copy of the invoice with added cost share information, updated invoicing period, etc.) should be added as an attachment to the appropriate FI accounting document.

• This eliminates any need for additional files in the department and ensures a complete audit trail for the invoice review process.

• A Quick Reference Card is available on the website to walk through the process.
SIR Exit Button

• If the exit button is selected, the invoice will not show as in process and the workflow will be reset.
• Each invoice should be held if problematic or approved if valid.
SIR Delegation

• The subaward invoice review process follows standard workflow
• Any delegations within workflow will apply to the subaward invoice review process
• Each department must determine if the standard delegation will suffice or if additional processes should be followed or documentation maintained
• **Note:** *The PI certification process cannot be delegated through standard workflow. A delegate may review the information, but when they click yes on the certification they will receive an authorization error and the workflow will be reset to the PI.*
PI Invoice Approval

• Once the SIR has approved the invoice, the invoice moves to the PI workflow and an email is generated to notify the individual of the need to certify the invoice.

• If no SIR is listed on the Responsibilities tab on GMGRANTD, the email will go directly to the PI for review and certification.

• The PI screens are similar, but the wording is different.

• The SIR screens refer to a review process, while the PI screens refer to a certification process.
PI Invoice Approval

- As the PI has first hand knowledge of the programmatic progress, they are required to certify each invoice prior to payment.
- The PI has all the same options for hold reasons as the SIR and should utilize them in the same manner.
- Though the PI/department may choose to have the SIR perform certain reviews, the certification process cannot be delegated to another individual by the PI.
PI Approver Screen

- PI follows the same process as SIR for invoice review, hold reasons, actions, and resolutions; click approve
PI Certification Delegation

- The PI Certification cannot be delegated to other individuals from a workload perspective.
- The certification should come from a person with first-hand knowledge of the scope of work and programmatic progress of the subrecipient.
- The PI is deemed responsible for these areas and has been assigned this responsibility.
- If a CO-I listed for the award is assigned this responsibility, the delegation can be made in SAP.
- Notify subawards@uky.edu of the need for this delegation.
PI Certification Delegation

• Although the workflow will allow a delegate to open and review the task, it will not allow the certification if they do not have the PI role in SAP

• When the close button is selected, the window will close and the invoice is automatically added back to the PI workflow task list
PI Certification Delegation

• Under certain circumstances, the PI named on the award may not have the capacity to certify the invoice

• Examples may include:
  – Separation from the University, but a new PI has not yet been named
  – Separation from the University and a new PI will not be named
  – Unexpected long-term absence

• When these rare circumstances arise, requests for substitution should be submitted through the Dean or Director to subawards@uky.edu for review
Monitoring and Reporting
Payment Monitoring

• Departments should develop a process to monitor invoice approval to ensure compliance with the 30 day payment window

• Transaction code ZMM_BSI_RPT will be utilized to report all blocked subaward invoices in real time

• The report includes the number of days outstanding, who is currently required to take action, whether it is on hold, the reason for the hold, etc.
Payment Monitoring

- Select variant /ALL SUBAWARDS to narrow report down to valid purchasing document numbers
- Enter department number(s) for further detail
Payment Monitoring

• The report will list any invoices entered, but not yet approved
• The days column lists the number of days in process and must be less than 30
• The approver listed is the ADID/MCID for the individual who is responsible for taking action

<table>
<thead>
<tr>
<th>Days</th>
<th>Approver</th>
<th>Decision Hold Desc</th>
<th>Status</th>
<th>Invoice No.</th>
<th>Vendor Name</th>
<th>Reference</th>
<th>Receive Date</th>
<th>Invoice Date</th>
<th>Posting Date</th>
<th>Purch. Doc.</th>
<th>Grant</th>
</tr>
</thead>
<tbody>
<tr>
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<td>FFEROW2</td>
<td>In Process</td>
<td></td>
<td>5106910911</td>
<td>Morehead State University</td>
<td>102244</td>
<td>11/13/2016</td>
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<td>78000000721</td>
<td>9200000058</td>
</tr>
</tbody>
</table>
Payment Monitoring

• This report will identify who needs to be prompted to either hold or approve the invoice
• Once the invoice is approved, the item is removed from the report
• This is intended to allow monitoring of the 30 day payment window and ensure compliance
Statistical Reporting

• The new process also provides the ability to review historical transactions and identify trends and pinpoint areas for improvement
• Transaction ZMM_SUBAWARD_INV_HIS lists all invoice activity whether processed or not
• This provides the ability to track and report on the reasons invoices are being held, the average timeline for payment by department, etc.
## Subaward Invoice History Report

<table>
<thead>
<tr>
<th>Invoice No.</th>
<th>Reference</th>
<th>Invoice Date</th>
<th>Posting Date</th>
<th>Receive Date</th>
<th>Purch. Doc.</th>
<th>Vendor</th>
<th>Vendor Name</th>
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<tbody>
<tr>
<td>5106908808</td>
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<td>03/08/2016</td>
<td>05/05/2015</td>
<td>03/08/2016</td>
<td>78000027720</td>
<td>179756</td>
<td>Comp Community Child Care Org Inc</td>
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<tr>
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<td>Comp Community Child Care Org Inc</td>
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<table>
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<tr>
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<th>Hold Reason Description</th>
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<th>Status</th>
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<td>259</td>
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<td>PI</td>
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<td>Reserved</td>
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<td>200.00 APPROVED</td>
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<td>Ready</td>
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</tbody>
</table>
Live September 29, 2017

- The transport will go into production Thursday 9/28/17, so the new process will be live beginning Friday 9/29/17

- New subawards will have the updated invoicing language in the award to support the process

- All existing subawards have been sent notification of the change in invoice process; modifications are not being issued at this time

- APS will not accept any invoice submissions from the department after Friday
Information

• Frequently asked questions, presentations and quick reference cards can be found on our website at http://www.uky.edu/ufs/accounts-receivable-compliance#Subaward Monitoring

• Any questions should be submitted to subawards@uky.edu