Subaward Online Invoice Review and Approval Process
Pilot Group

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 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 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

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 per grant account 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 to add an SIR to a grant account will be collected as part of the initial pilot group
• The designation can be on a department number or grant account basis
• Any future requests for SIR designations should be submitted to subawards@uky.edu
• Formal process for ongoing designation is under review

SIR Designation

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

From: batch user <batch@kentucky.edu>
To: Users, Staff
Subject: Please review Invoice 19-2020

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 subawardee@uky.edu email address on your correspondence with the subawardee about non-payment or possible payment delays pending resolution.

Please review Invoice 19-20202

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

http://uco.uky.edu/umulos_uwl

or log into the portal at https://mako.uky.edu/k/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.
• The invoice number to be reviewed will show in the email and workflow.
• Double click the relevant invoice information; click the most recently created attachment.
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 non-compliant, 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 must 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 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 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.

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
• As the PI has first hand knowledge of the programmatic progress, they are required to certify each invoice prior to payment
PI Invoice Approval

• When approve button is selected by the PI, the following appears:
  – By clicking ‘Yes’ I certify that the invoice is reasonable in relation to work performed on this project and meets the requirements of the referenced subagreement

• 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 chose to have the SIR perform certain reviews, the certification process cannot be delegated to another individual by the PI

PI Notification
PI Workflow

• Click Process Invoice button

PI Approver Screen

• The review screen includes relevant invoice information, the attachment, and the Approve, Hold, and Exit buttons
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.
PI Certification Delegation

• Although the workflow will allow a delegate to open and review the task, it will not allow the certification if they are not listed as PI on the account
• When the close button is selected, the window will close and the invoice is automatically added back to the PI workflow task list

[Image of Message]

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 to the applicable Area Fiscal Officer for approval, then submitted to Research Financial Services for final 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
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.
Statistical Reporting

How can I participate?

• Participation is on a purchase order level for the pilot group
• A table will be maintained by Research Financial Services in SAP to add the relevant PO number, which allows for the online processing
• We suggest starting with a small organization to minimize confusion with invoicing for other subawards at UK
• The pilot PO can be in process; a change in invoicing notification will be sent to the subrecipients as they are identified
How can I participate?

- Involvement in the pilot project affords you the opportunity to familiarize yourself with the process during the early stages and receive individual assistance

- Are you ready to get started?
  - Email subawards@uky.edu with the purchase order number and SIR information