

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

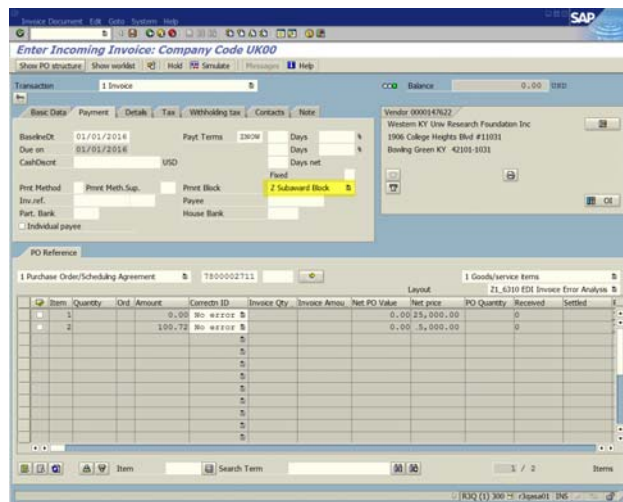


Invoices Submission and Approval Process



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 document S106812908 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

Notification

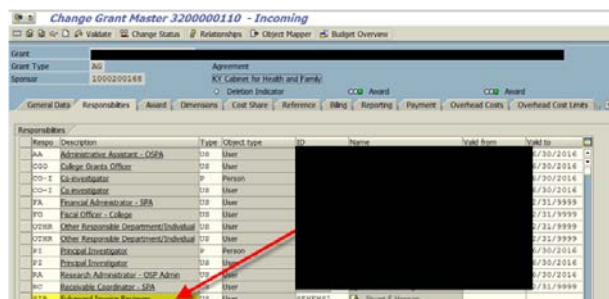
- An email is generated to notify the appropriate individual an invoice has been processed and is ready for review and approval
- The process will default to the PI listed on the responsibilities tab of the grant account
- Each department on campus has the option of creating a Subaward Invoice Reviewer (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

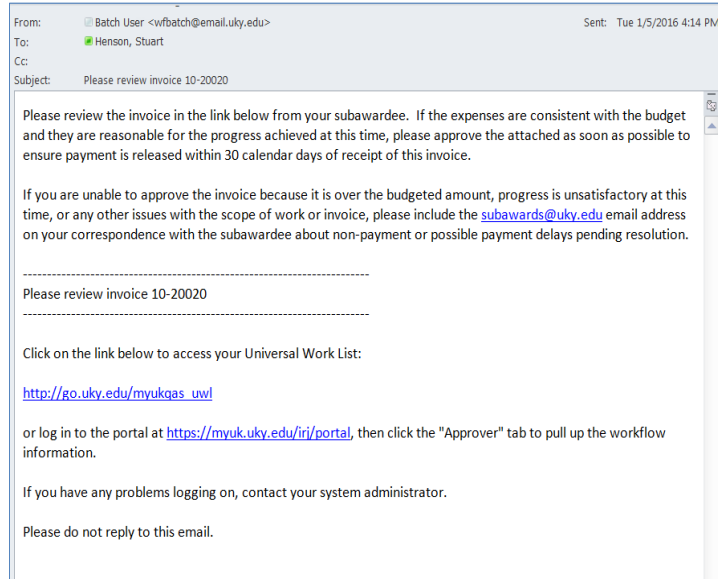
SIR Designation

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



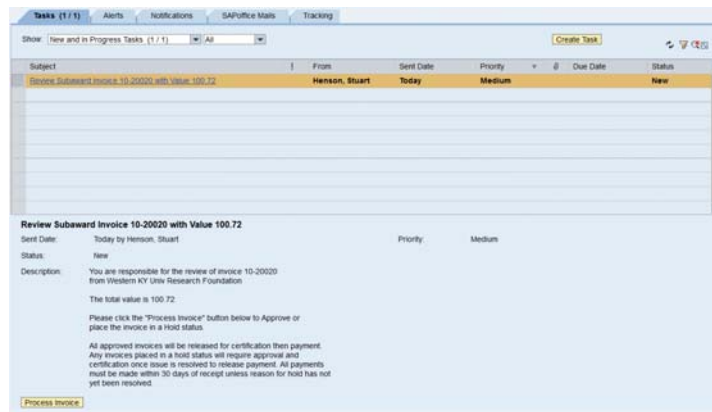
Range	Description	Type	Object type	ID	Name	Valid from	Valid to
AA	Administrative Assistant - OGBA	118	User			8/30/2016	
COO	College Grants Officer	118	User			8/30/2016	
COO-1	Co-Investigator	P	Person			8/30/2016	
COO-2	Co-Investigator	118	User			8/30/2016	
FA	Financial Administrator - SPA	118	User			8/31/9999	
FD	Fiscal Officer - College	118	User			8/31/9999	
OTDR	Other Responsible Department/Individual	118	User			8/31/9999	
OTDR	Other Responsible Department/Individual	118	User			8/31/9999	
PI	Principal Investigator	P	Person			8/30/2016	
PI	Principal Investigator	118	User			8/30/2016	
RA	Research Administrator - OSP Admin	118	User			8/30/2016	
RC	Receivable Coordinator - SPA	118	User			8/31/9999	
RIA	Subaward Invoice Reviewer	118	User	SEBENS1	Shawn E. Benson		

SIR Email Notification



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

The screenshot shows a web application window titled "Review Subaward Invoice 10-20020 with Value 100.72". At the top, there are buttons for "Approve", "Hold", and "EXIT". Below this is the "Invoice Information" section with the following fields:

- Grant: 3200000110 EARLY CHILDHOOD PROFESSIONAL DEVELOPMENT, QUALITY ENHANCEMENT & RTT GRANT PILOT
- Project: PO2 736 1500005301 2
- Sponsor: 1000200168 KY Cabinet for Health and Family
- Invoice Number: 10-20020
- Receive Date: 01/01/2016
- Invoice Date: 01/01/2016
- Posting Date: 01/06/2016
- Vendor: 147622 Western KY Univ Research Foundation
- Purchase Order: 7800002711
- Amount: 100.72

Below the invoice information is an "Attachments" table:

Description	File Name	Type	Create Date	Create Time
Invoice 10-20020	10-20020.pdf	PDF	01/06/2016	09:32:41



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

The first screenshot shows the "Attachments" table from the previous slide. A red arrow points to the first row, and a yellow box with the text "Double click description" is overlaid on the table.

The second screenshot shows a "Opening 10-20020.pdf" dialog box. It displays the file name "10-20020.pdf" and its source. The "Open with" dropdown is set to "Adobe Reader (default)". A red arrow points to the "OK" button.



UNIVERSITY OF LOUISVILLE INVOICE

Invoice: INV000200762
 Invoice Date: 1/22/2016
 Page: 1 of 1

Please Remit To:
 University of Louisville Research Foundation
 Sponsored Programs Financial Administration
 University of Louisville
 Stevenson Hall #216
 Louisville, KY 40292

Customer No: 1173
 Payment Terms: 0% Interest
 Due Date: 3/27/2015
 Billing Period: 7/1/15-7/31/15
 Project End Date: 7/31/2015

AMOUNT DUE: \$ 11,077.70

Sponsor: [REDACTED] AMOUNT REMITTED: \$

Principal Investigator: [REDACTED]
 Sub Award #: 304811

For billing questions, please call: Wesley Adam Price (502) 852-5694

Please reference article# QOMB340142C on your third voucher along with Invoice Number

Description	PRICE		Expenditures CUMULATIVE
	07/14/2015	7/1/15-7/31/15	
Capital Asset	20,676.77		20,676.77
Salary	44,229.33		44,229.33
Fringe Benefits	7,829.36		5,829.36
Scholarships	2,320.00	2,422.58	4,322.58
Materials	16,930.27	5,658.04	22,588.31
Travel	637.31	325.33	762.64
F&A	33,813.24	2,891.75	36,704.99
TOTAL	\$ 124,818.98	\$ 11,077.70	\$ 185,896.00

CURRENT AMOUNT DUE: \$ 11,077.70

This request represents reimbursement of a full cost incurred during the project. To the extent any applicable, when accurate a set agreement and have not been previously mentioned.

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 cash receipts 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 3801-3812)

[Signature]
 Fiscal Officer

University of Kentucky

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

The image displays two screenshots of a web application interface for 'Hold Subaward Invoice 10-20020'. The top screenshot shows a 'Select a Hold Reason' dropdown menu with several options. A red circle highlights a 'Help' button next to the selected reason. The bottom screenshot shows the same interface with the 'Reason' dropdown set to 'Cost share requirements have not been met and/or documented on invoice'.

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

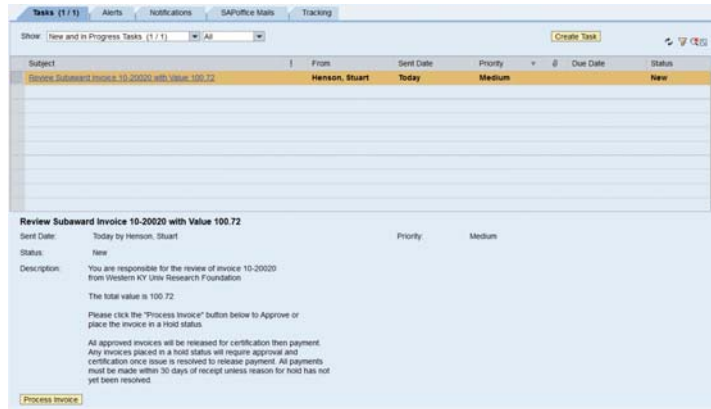
- Although the institution is allowed to hold a payment beyond 30 calendar days if the invoice is non-compliant, the reviewer must take all actions to resolve the issue in a timely manner
- All correspondence should be copied to subawards@uky.edu for monitoring and reporting purposes
- Once information 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

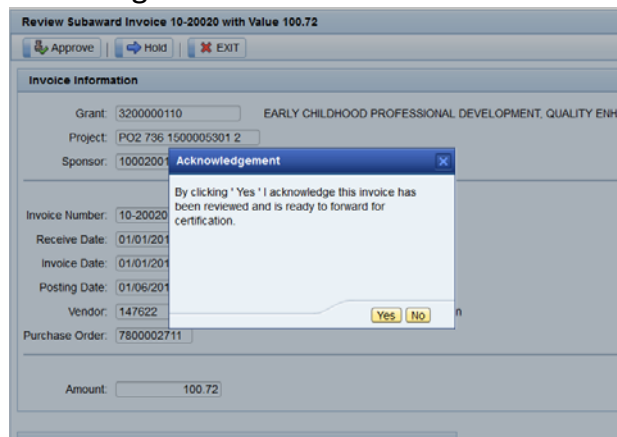
SIR Invoice Approval

- 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

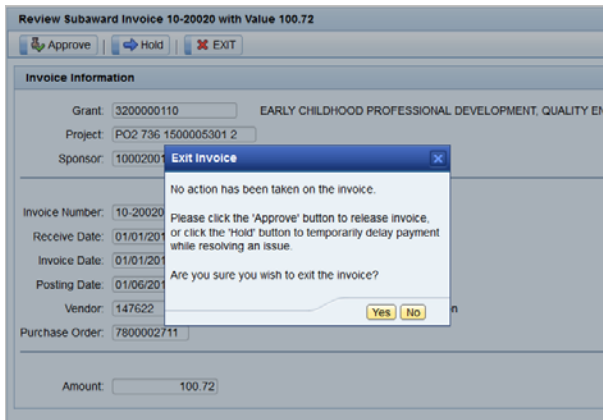


SIR Additional Documentation

- 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



The screenshot displays the 'Review Subaward Invoice' interface for invoice 10-20020 with a value of 100.72. At the top, there are three buttons: 'Approve', 'Hold', and 'EXIT'. Below these is the 'Invoice Information' section with the following details:

Grant:	3200000110	EARLY CHILDHOOD PROFESSIONAL DEVELOPMENT, QUALITY ENH
Project:	PO2 736 1500005301 2	
Sponsor:	10002001	
Invoice Number:	10-20020	
Receive Date:	01/01/201	
Invoice Date:	01/01/201	
Posting Date:	01/06/201	
Vendor:	147622	
Purchase Order:	7800002711	
Amount:	100.72	

An 'Exit Invoice' dialog box is overlaid on the interface, containing the following text:

No action has been taken on the invoice.
Please click the 'Approve' button to release invoice, or click the 'Hold' button to temporarily delay payment while resolving an issue.
Are you sure you wish to exit the invoice?

The dialog box has 'Yes' and 'No' buttons at the bottom right.

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

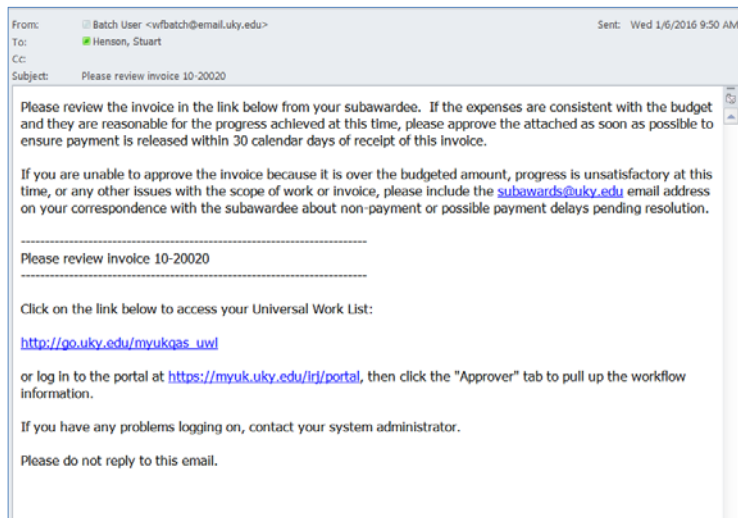
- Once the SIR has approved the invoice, the invoice moves to the PI workflow and an email is generated to notify the individual of the need to certify the invoice
- If no SIR is listed on the Responsibilities tab on GMGRANTD, the email will go directly to the PI for review and certification
- The PI 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



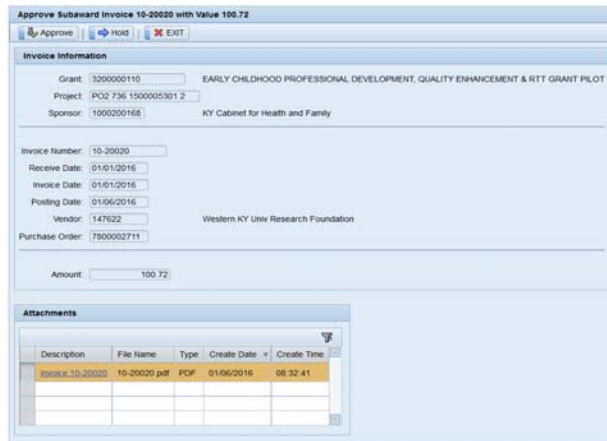
PI Workflow

- 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

The screenshot shows a web application window titled "Approve Subaward Invoice 10-20020 with Value 100.72". At the top, there are buttons for "Approve", "Hold", and "EXIT". Below this is the "Invoice Information" section with the following fields:

- Grant: 3200000110 EARLY CHILDHOOD PROFESSIONAL DEVELOPMENT, QUALITY ENHANCE
- Project: PO2 736 1500005301 2
- Sponsor: 10002001
- Invoice Number: 10-20020
- Receive Date: 01/01/201
- Invoice Date: 01/01/201
- Posting Date: 01/06/201
- Vendor: 147622
- Purchase Order: 7800002111
- Amount: 100.72

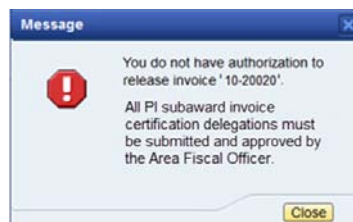
A "Certification Statement" dialog box is overlaid on the screen, containing the text: "By clicking 'Yes' I certify that the invoice is reasonable in relation to work performed on this project and meets the requirements of the referenced subagreement." Below the text are "Yes" and "No" buttons.

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



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

Blocked Subaward Invoices

Company Code: UK00

Purchasing Document: 7800000000 to 7899999999

Invoice Document No.:

Fiscal Year:

Posting Date:

Vendor:

Department: 81045

Variant Catalog for Program ZMM_BSL_RPT

Variant name: Short Description

/ALL SUBAWARDS Subaward Monitoring Report

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

Blocked Subaward Invoices

Days	Approver	Decision/Hold	Desc/Status	Invoice No.	Vendor Name	Reference	Receive Date	Invoice Date	Posting Date	Purch.Doc.	Grant
11	FFPEROW2		In Process	5106910910	Morehead State University	INV 30101	11/11/2016	11/11/2016	11/21/2016	2800003021	3200000358
9	FFPEROW2		In Process	5106910911	Morehead State University	102244	11/13/2016	11/13/2016	11/22/2016	2800003021	3200000358
5	FFPEROW2		In Process	5106910912	Morehead State University	INV102555	11/17/2016	11/17/2016	11/21/2016	2800003021	3200000358
2	FFPEROW2		In Process	5106910913	Morehead State University	INV000100	11/20/2016	11/20/2016	11/21/2016	2800003021	3200000358

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

Subaward Invoice History Report

Invoice No.	Reference	Invoice Date	Posting Date	Receive Date	Purch.Doc.	Vendor	Vendor Name
S10690888	450903-AR	03/08/2016	05/05/2016	03/08/2016	7800002720	179756	Comp Community Child Care Org Inc
S106908809	INV01013822	03/08/2016	05/05/2016	03/08/2016	7800002720	179756	Comp Community Child Care Org Inc
S106910909	INV #33090	11/11/2016	11/21/2016	11/11/2016	7800003070	335157	KCTCS
S106910910	INV 30101	11/11/2016	11/21/2016	11/11/2016	7800003071	131260	Morehead State University
S106910911	102244	11/13/2016	11/22/2016	11/13/2016	7800003071	131260	Morehead State University
S106910912	INV102555	11/17/2016	11/21/2016	11/17/2016	7800003071	131260	Morehead State University
S106910913	INV000100	11/20/2016	11/21/2016	11/20/2016	7800003071	131260	Morehead State University

Days	Gross a...	Decision	Hold Reason Description	Approver	Status	WI Status
259	100.00			PI BROUS	In Process	Ready
259	100.00	HOLD	Deliverables and/or progress reporting requirements have not b	PI SEHENS1	In Process	Reserved
10	200.00	APPROVED	Deliverables and/or progress reporting requirements have not b	PI SEHENS1	Completed	Completed
11	200.78			REV PPBRO	In Process	Ready
9	1,200.00			REV PPBRO	In Process	Ready
5	995.00			REV PPBRO	In Process	Ready
2	8,798.22			REV PPBRO	In Process	Ready

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