

**Office of Research Administration
Vice President for Research**

Subrecipient Post Award Monitoring Guidelines

Effective Date 04/01/2015
 Version Date 02/15/2017
 Applicable Departments Office of Research Administration
 FMS Accounts Payable (A/P)
 Departments with subrecipients on awards

Purpose

To provide Indiana University award recipients with reporting guidelines for subrecipient invoice approval by FMS Accounts Payable and the department business office.

Roles and Responsibilities for Subrecipient Invoice Approval

RESPONSIBILITY	ROLE
FMS Accounts Payable (AP)	<p>1. Receive invoice from subcontractor and verify information on invoice</p> <ul style="list-style-type: none"> ○ Purchase order number, Invoice #, Invoice Date and Invoice Amount ○ Purchase order is open ○ Purchase order has enough funds to pay the invoice ○ The reporting period in the invoice falls within the PO time period <p>*If any information is missing or is incorrect, the invoice is held for research and resolution. The payment request document will not be initiated until the issue is resolved. AP contacts the subrecipient or department for resolution advice.</p> <p>2. Ensure expenses are coded in correct object and sub object codes in KFS based on how PO is established (see Appendix A)</p> <ul style="list-style-type: none"> ○ Accounts Payable is responsible for processing per the line description "First \$25,000 in expenses" and "Expenses over \$25,000." <p>3. Initiate the payment request (PREQ) document</p> <p>4. Scan invoice and its supporting documentation</p> <p>5. The payment request document routes to the department for approval with the image linked for review</p>

<p>Fiscal Officer (FO)</p>	<p>1. Review invoice to ensure the following are in accordance with requirements of subaward</p> <ul style="list-style-type: none"> ○ Purchase order number ○ Prime award number (if applicable) ○ Subaward number assigned by IU to the subcontractor ○ Subrecipient name ○ Date of invoice ○ Invoice number ○ Period of performance covered by invoice ○ Cost sharing (if applicable) ○ Subrecipient contact person with respect to the invoice ○ Certification on each invoice as to the truth and accuracy of the invoice (see sample invoice in Appendix B) <p>A. For Cost Reimbursement Invoice:</p> <ul style="list-style-type: none"> ○ Ensure invoice format has the following: <ul style="list-style-type: none"> ● Current period costs ● Cumulative costs ● Cost share (if applicable) ○ Ensure expenditures are classified by the following major categories: <ul style="list-style-type: none"> ● Salaries ● Benefits ● General Expense ● Fee Remit/Stipends ● Participant Support Costs ● Subcontracts ● Equipment ● Travel ● Indirect Cost ○ Check for the following: <ul style="list-style-type: none"> ● Cumulative expenditures are not over the total amount of the subaward ● Expenses are reasonable, allocable, and allowable with respect to award terms <ul style="list-style-type: none"> ▪ Reasonable: Are expenses applicable to the project, adhere to all applicable laws and regulations, adhere to terms and conditions of the sponsor and award, and are consistent with policies and practices applied to federal and university funds? What would a prudent person do in a similar situation? ▪ Allocable: Are the expenses involved chargeable or assignable in accordance with relative benefits received or other equitable relationship? Are the expenses used solely to advance the project work and can be identified specifically with a particular project or activity? ▪ Allowable: Are expenses necessary and reasonable for performance of the award? Do the expenses conform to any limitations or exclusions set forth in the cost principles or in the sponsored agreement as to types or amounts of cost?
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	<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ See OMB Circular A-21 C.2(d), 2 CFR Part 200.403, and IU policies ▪ Consult ORA with questions • Confirm any budget deviation is within the allowable level and in accordance with subaward agreement • Cost share commitments are met in accordance with subaward terms • Indirect cost expenditures on the invoice are consistent with the rate and base approved in the original subaward • Confirm exchange rate (if applicable) was calculated correctly using the last day of the invoice billing period • If this is a final invoice, invoice is received within the due date specified in the subaward to submit a final invoice <ul style="list-style-type: none"> ○ Verify with PI that the work is progressing in a satisfactory manner compared to costs incurred ○ Complete Subrecipient Invoice Checklist and attach to the payment request document in KFS <p>B. For Fixed-Price Invoice:</p> <ul style="list-style-type: none"> ○ Verify the invoice lists what deliverables/tasks are being billed, award amount for each deliverables/tasks, and timeline/due dates (if any) for the deliverables/tasks ○ Verify that the task/deliverable that is billed in the invoice is completed by the subrecipient and accepted by the PI <p>2. For high-risk subrecipients, verify detail costs match amounts billed on the invoice:</p> <ul style="list-style-type: none"> ○ Subrecipient must provide a detailed transaction listing with each invoice as supporting documentation. The detailed transaction listing must include: <ul style="list-style-type: none"> • Fiscal Year • Expense Date • Amount • Description of Charges • Document number (unique system identifier) • Cost Category/Expense Class <ul style="list-style-type: none"> ▪ Project Supplies ▪ Fellowships ▪ Consulting Services ▪ Travel ▪ Participant Costs ▪ Equipment ▪ Other ○ Subrecipient must provide a detailed labor listing with each invoice as supporting documentation. The labor detail must include: <ul style="list-style-type: none"> • Employee name • Employee id • Fiscal year & period • Pay period • Salary amount • Benefit amount • Level of effort or number of hours worked (by employee)
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	<ul style="list-style-type: none"> • Expense code • Document number (unique system identifier) ○ Request and review salary letters and payroll verification records for the first invoice with compensation ○ Complete and initial Subrecipient Invoice Checklist. Attach checklist to the payment request document in KFS. <p>3. Confirm that the payment against the invoice is posted to the correct subrecipient, account number, object code, and sub object code.</p> <p>4. Retain documentation that the above steps have been completed.</p> <ul style="list-style-type: none"> ○ Example: Email correspondence between the Fiscal Officer and the PI indicating PI approval that work is completed satisfactorily compared to costs incurred on an invoice. <p>If any information is missing, is incorrect, or if there is an unallowable expense included in the invoice, place payment request on hold or request AP cancel the payment request. The FO is responsible for contacting the subrecipient for additional supporting documentation or necessary resolution. Contact ORA subrecipient auditor with questions.</p>
Principal Investigator (PI)	<ol style="list-style-type: none"> 1. Review technical performance reports or other specified deliverables in a timely manner. 2. For cost reimbursable invoices, confirm that the work is progressing in a satisfactory manner compared to costs incurred. 3. For fixed price invoices, confirm that the billed task/deliverable has been completed and is acceptable. 4. Retain documentation that the above steps have been completed.
ORA (Grants Finance & Operations)	<ol style="list-style-type: none"> 1. Risk Review: <ul style="list-style-type: none"> ○ A risk assessment will be performed for every subrecipient of a cost-reimbursable subaward agreement on a federal or federal pass through project 2. Invoice Review: <ul style="list-style-type: none"> ○ An invoice review will be performed for a sample of high-risk subrecipients with a cost-reimbursable subaward on a federal or federal pass through project ○ GFO may select more samples throughout the project period depending on the individual circumstances of the department and the subrecipient.

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Subrecipient Monitoring Reporting Guidelines
Appendix A

Subcontract Object Codes

Subcontracts on accounts that have indirect costs	
First \$25,000 in expenses	4074
Expenses over \$25,000	4075
Expenses over \$25,000 when F&A is charged on entire subcontract (TDC)	4077
Subcontract on accounts that do NOT have indirect costs	
First \$25,000 in expenses	4073
Expenses over \$25,000	4075

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**Subrecipient Monitoring Reporting Guidelines
Appendix B**

Sample Cost Reimbursable Invoice (Best Practice)

INVOICE	INVOICE # XXXX Invoice Date: 																																																									
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Name, Title Organization Address Phone Number Email Address	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; padding: 5px;">REMIT PAYMENT TO</th> </tr> <tr> <td style="width: 50%; height: 40px;"></td> <td style="width: 50%;"></td> </tr> <tr> <td style="background-color: #cccccc;"></td> <td align="center">Due Date:</td> </tr> <tr> <td colspan="2" style="font-size: small; text-align: center;"> *Please reference Invoice # -- XXXX when submitting your payment. </td> </tr> </table>	REMIT PAYMENT TO					Due Date:	*Please reference Invoice # -- XXXX when submitting your payment.																																																		
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Sample Fixed Price Billing (Best Practice)

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Sample Cost Share Report (Best Practice)

Cost Share Report		Report Date: 									
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Project Director:	Project Director										
Project Period:	XXXXXXXX-XX/XX/XXXX	Report Period: XXXXXXXX-XX/XX/XXXX									
Expenditures											
Categories	Budget	Current	Cumulative	Balance							
Salaries	\$0.00	\$0.00	\$0.00	\$0.00							
Benefits	0.00	0.00	0.00	0.00							
Supplies	0.00	0.00	0.00	0.00							
Subcontract	0.00	0.00	0.00	0.00							
Total Direct Costs	\$0.00	\$0.00	\$0.00	\$0.00							
Indirect Cost @ 0.0%	0.00	0.00	0.00	0.00							
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00							

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