

## Subrecipient Monitoring

### Guidelines for Departmental/PI/PD Review of Invoices from Subrecipients

The following checklist is a guide for reviewing subrecipient invoices. If you have questions regarding the accuracy and/or allowability of the expenses invoiced, ask the subrecipient for additional information and **DO NOT APPROVE** the invoice for payment until all items are resolved appropriately. Please contact the Office of Sponsored Programs and Research Integrity (OSPRI) or Sponsored Programs Accounting (SPA) with questions and/or assistance.

Step Complete?	Review Step
	1) <b>Calculate the total expenses.</b> Does the total amount invoiced agree with the total of expenses listed by budget category? Their invoice should have a total invoice amount and also, for cost-reimbursement agreements, detail of the expenses by budget category. Check the totals with a calculator to ensure the invoiced totals are correct.
	2) <b>Is the F&amp;A calculated accurately, with the correct and agreed upon rate for the subrecipient?</b> Some expenses are exempt from F&A charges. Ensure the F&A calculated agrees with the methodology in the budget and only includes expenses that can be charged F&A.  Examples of expenses that may be exempt from F&A include: <ul style="list-style-type: none"> <li>• Capital equipment expenses (\$5,000 or more per individual item with a useful life of one year or more)</li> <li>• Participant Support Costs, associated with workshops and training grants</li> <li>• Tuition</li> </ul>
	3) <b>Does the direct expense subtotal plus F&amp;A subtotal agree with the total invoice amount?</b>
	4) <b>Were all expenses incurred within the subagreement start and end dates?</b> Ensure that the dates on the invoice are within the award's period of performance. If you have received copies of receipts for any of the expenses on that invoice, ensure they were incurred during the period of performance.
	5) <b>Are the expenses in agreement with the subagreement budget?</b> If there have been changes to the budget, ensure the changes are in agreement with the programmatic objectives and allowable per the prime Sponsor. Some awards require prior approval from the Sponsor for budget changes <ul style="list-style-type: none"> <li>• Are the expenses that are invoiced included in the subcontract budget? The subrecipient should only invoice for approved expenses per the subcontract or ask for approval of changes.</li> <li>• Are the cumulative expenses per budget category in agreement with the budget amount per category?</li> </ul>

	<ul style="list-style-type: none"> <li>• Does the total spent per budget category agree with the subcontract budget categories?</li> <li>• Has the subrecipient overspent in one budget category and underspent in another budget category? For example, are they charging less in salaries but more laboratory expenses?</li> </ul>
	<p><b>6) Are the expenses in agreement with the programmatic plan or work completed to date?</b> (The programmatic plan will be described in the proposal SOW, along with the planned timetable. Any agreed-upon changes to the plan would be in writing and would be filed with the subrecipient agreement and other paperwork). Expenses invoiced should agree with the work incurred if the agreement is a cost reimbursable contract.</p> <ul style="list-style-type: none"> <li>• Were there programmatic changes that would cause changes to the types of expenses? For example, if the programmatic changes resulted in eliminating the need for study subject payments, subcontractors to the subrecipient, or consulting, the invoices should not contain these types of expenses.</li> <li>• Is the subrecipient invoicing for salaries during a time when it is known that no work should be occurring due to the programmatic plan? For example, the subagreement involves holding summer camps with all effort occurring during May through September. The subrecipient should not invoice salary costs that were incurred during January.</li> </ul>
	<p><b>7) Are the expenses allowable per the subagreement and the prime award?</b> Remember the prime award requirements and budget restrictions flow down to the subrecipient. If there are specific disallowances listed in the prime award, these will also apply to the subrecipient.</p> <p>The following are examples of sensitive expenditures. If these types of expenses are invoiced, ensure that the subcontract explicitly approved these expenses as allowable per the prime award:</p> <ul style="list-style-type: none"> <li>• Food/Official functions</li> <li>• Honorarium</li> <li>• Study subject payments – ensure appropriate IRB approvals occurred.</li> <li>• Local telephone service</li> <li>• Postage</li> <li>• Office supplies</li> <li>• Membership Dues</li> </ul>

	<ul style="list-style-type: none"> <li>• Administrative salaries</li> <li>• If the prime agreement will not pay for tuition remission or general fringe benefits, the subrecipient should not invoice for such expenses</li> <li>• If the prime does not allow travel expenses, the subrecipient should not invoice for travel related expenses.</li> </ul>
	<p><b>8) For a cost reimbursable subagreement, are expenses that are charged based on actual expenses, or does it appear to be an allocation of the budget?</b> For example, are the invoices consistently the same amount each month or always round dollar amounts? Cost reimbursable subagreements require invoicing <b><u>based on actual expenses only</u></b>. If you suspect an allocation is occurring, you can ask for receipts or other documentation to substantiate their charges.</p>
	<p><b>9) Does the invoice contain the following statement and is it signed by the subrecipient?</b> (These are requirements of 2 CFR Part 200)</p> <p><i>“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).</i></p>
	<p><b>10) If the subagreement includes cost sharing requirements, does the invoice contain the required cost sharing information?</b> Cost sharing expenses must follow the same rules as the expenses paid by the prime award. Ensure the cost sharing expenses comply with the agreement, including amounts and types of expenses.</p>

	<p><b>11) Has the PI/PD signed the Subrecipient/Subcontractor Invoice Approval?</b> If the departmental administrator is responsible for reviewing invoices for accuracy and ensuring payment is processed, make sure the PI/PD approves. Some items above (such as #6) may only be evaluated by the PI/PD or other person directly involved in the overall technical conduct of work. The PI/PD is ultimately responsible for expenditures.</p>
	<p><b>12)</b> Once the invoice has been reviewed and approved by the PI/Research Administrator, email the invoice, attaching the subrecipient/subcontractor invoice approval form signed by the PI to <a href="mailto:apinvoice@cu.edu">apinvoice@cu.edu</a>, making sure the PO number is referenced on the invoice. Receiving is required when the PO total is over \$5,000, regardless of the amount of each invoice. Standing Purchase Order (SPO) invoices require approval – no matter the amount of the invoice – in order to pay. An email notification from CU Marketplace will be sent to the Requestor and the appropriate Approver(s) when an SPO invoice is entered and pending approval.</p>

**REMEMBER: IF THERE ARE ANY QUESTIONS ON THE INVOICES, DO NOT APPROVE UNTIL ALL ITEMS ARE APPROPRIATELY RESOLVED**