**Subaward Online Invoice Review
and Approval Process
Pilot Group**

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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

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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

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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.

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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

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Invoices Submission and Approval Process

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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

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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

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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
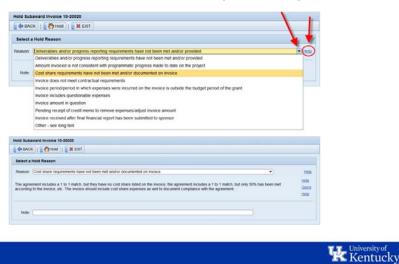
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SIR Invoice Review

- 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

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SIR Hold Reasons

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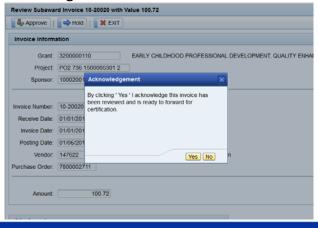

SIR Hold Resolution

- 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 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 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
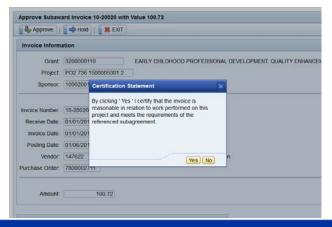
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PI Invoice Approval

- 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

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PI Approver Screen

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

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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 generally deemed responsible for these areas and has been assigned this responsibility
- If a CO-I listed on a project has firsthand knowledge as described above, a substitution may be completed for this process. Contact subwards@uky.edu with this request.

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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

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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 Department Personnel for approval, then submitted to Research Financial Services for final review

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Monitoring and Reporting

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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.

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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.

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Participation

- Pilot went live April 4th with 9 purchase orders
- Current participation level is 34 purchase orders within 7 colleges/units
- 27 invoices have been processed to date
- Average turnaround time of 10 business days from receipt to certification

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Participation

- Participation is on a purchase order level for the pilot group
- A table is maintained by Research Financial Services in SAP to add the relevant PO number, which allows for the online processing
- The pilot PO can be in process; a change in invoicing notification will be sent to the subrecipients as they are identified

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Participation

- 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

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