



SUBRECIPIENT INVOICE FREQUENCY AND PROCESSING Best Practices

Background and Purpose

A subrecipient is a non-Federal entity that receives a subaward from a pass-through entity (such as BU) to carry out part of a Federal program. Most subawards at Boston University are cost reimbursable agreements where the subrecipient invoices BU monthly for allowable expenses incurred under the agreement. BU, in accordance with the federal Uniform Guidance found at 2 CRF 200.305, pays valid subrecipient invoices within 30 calendar days of receipt.

Abbreviations

Abbreviations	Meaning
AP	Accounts Payable
DA	Department Administrator
FRN	Fund Reservation Number
OMB	Office of Management and Budget
SP - Post	Sponsored Programs Post Award
PI	Principal Investigator
SAP	BU's general accounting system
UG	Uniform Guidance

Roles and Responsibilities

Person	Role and Responsibility
AP	Process subaward invoices routed through workflow.
DA	Complete timely review and processing of subaward invoices. Alert PI and SP - Post RA of any invoice issues if they arise upon review.
SP - Post (subinv@bu.edu)	Time/Date stamp subaward invoices as they are received. Email invoices to PI, DA and SP - Post RA for review and processing.
SP - Post RA	Review Subrecipient (Subaward) Invoice Disbursement Form and supporting documents timely for accuracy and completeness and process them as required.
PI	Complete timely review of subaward invoices. Ensure that subrecipient is adhering to the terms of the agreement both technically and financially. Provide DA with approval to process invoices for payment. Alert DA and SP - Post RA of any invoice issues if they arise upon review.

Invoice Frequency

The subaward should provide for monthly submission of invoices by the subrecipient. The submission of invoices on a monthly basis allows for the timely detection of billing issues as well as proper monitoring of expenses and technical progress.

- Submitting invoices on a quarterly, semi-annual, annual, or end-of-project basis is not recommended for the following reasons:
 - Prevents timely discovery of billing/spending errors, invoice issues, and technical progress concerns;



- Negatively impacts the prime award's spend rate. Sponsored projects are subject to a review of award spend rate. Quarterly invoicing leads to a lower spend rate, which may jeopardize future funding;
 - Significantly increases the risk of not receiving a final invoice timely, resulting in possible nonpayment from our sponsor; and
 - Prevents consistent/timely subrecipient monitoring, such as desk reviews.
- Quarterly invoicing is acceptable under the following limited circumstances:
 - If the submission of monthly invoices will cause hardship to the subrecipient. In these cases, the subrecipient should submit a request and written justification to the Principal Investigator, who must approve the request in writing
- or;
- If the subaward amount is (1) less than \$10,000 and (2) less than 10% of the overall prime award budget.

Invoice Process Flow

- PI completes initial review of invoice.
 - Ensures sufficient technical progress has been made to justify payment.
 - Pays special attention to salary and wages costs invoiced.
 - Verifies the need for the travel during the billing period if the invoice contains travel expenses.
 - Reviews material and supply charges for reasonableness.
 - Alerts both DA and SP - Post RA immediately if any invoice issues arise.
- DA utilizes Subaward agreement, Business Warehouse reports and/or SAP functions to complete a further review of invoice.
 - Ensures dates are within the project period and share no overlap with the previous invoice.
 - Confirms sufficient funds are available in the Fund Reservation Number (FRN) to cover the invoice amount.
 - Makes sure the cumulative amount on the invoice matches the total of the new invoice plus the previous amount billed.
 - Verifies the invoice contains signed certificate.
 - Alerts both PI and SP - Post RA immediately if any invoice issues arise.
- PI approves invoice by signing it or sending approval to DA via email.
- DA completes and submits the online Subrecipient (Subaward) Invoice Disbursement Form found on the Forms page of the Accounts Payable website.
 - Attaches invoice and PI approval.
 - Accurately enters the name and email address of the SP - Post RA so that the form correctly routes through workflow.
- SP - Post RA receives the form, the invoice and PI approval via workflow.
- SP - Post RA reviews the documents and if appropriate, approves the disbursement request. If there is an issue with any of the documents, the SP - Post RA will contact the DA to discuss next steps.
- Once approved, the disbursement form is routed to Accounts Payable via workflow where it will be processed for payment.



Advance Payment

- In very rare circumstances Boston University may allow advance payments to subrecipients.
- Detailed guidance for processing and reconciling advance payment may be found here: <https://www.bu.edu/research/funding-grants/grant-management-tools-resources/faq/>

Reference Documents

- [Forms » Accounts Payable | Boston University \(bu.edu\)](#)
- <http://www.bu.edu/researchsupport/project-lifecycle/managing-an-award/manage-an-award-faqs/>
- <http://www.bu.edu/researchsupport/project-lifecycle/setting-up-an-award/subaward-agreements/>
- <https://www.bu.edu/researchsupport/forms-policies/procedures-for-the-administration-and-monitoring-of-subrecipient-agreements-issued-to-third-parties/>
- [2 CFR § 200.200 - Purpose. - Content Details - CFR-2020-title2-vol1-sec200-200 \(govinfo.gov\)](#)
- [2 CFR § 200.74 - Pass-through entity. - Content Details - CFR-2020-title2-vol1-sec200-74 \(govinfo.gov\)](#)
- [2 CFR § 200.305 - Payment. - Content Details - CFR-2020-title2-vol1-sec200-305 \(govinfo.gov\)](#)
- <https://www.bu.edu/researchsupport/forms-policies/procedures-for-the-administration-and-monitoring-of-subrecipient-agreements-issued-to-third-parties/>
- <http://www.bu.edu/tech/support/buworks/>
- <https://ppb.buw.bu.edu/>

Approval and Revision History

Date	Changes
03 Nov 2020	SOP draft initiated
28 Mar 2022	Added invoice frequency section