

Sponsored Programs Invoicing

1. Overview

As a recipient of sponsored funds, the University is required to provide accurate and timely invoicing of project expenditures at intervals indicated in the award terms and conditions. Research Financial Services (RFS) is responsible for preparing and submitting all sponsor-required invoices and ensuring that such invoices accurately reflect the expenditures as recorded on the project in the University's financial system of record (Oracle).

2. Purpose

To ensure the University submits accurate and timely invoices and receives payment for all sponsored program expenses in compliance with Federal regulations (2CFR 200.343) and other sponsors requirements.

3. Who Must Comply

Department Personnel
Research Financial Services
Principal Investigators

4. Definitions

Cost Reimbursable: Invoices are based on actual expenditures recorded in Oracle on a monthly basis or predetermined time interval, quarterly, semi-annually, etc.

Invoice/Payment in Advance: Invoices/payments are based on a predetermined invoicing schedule with a final invoice reconciliation based on actual costs. If the sponsored program is cost reimbursable, the final invoice will be based on actual expenditures recorded in Oracle and will either reflect a refund back to the sponsor for surplus funds or a balance due. If the sponsored program is fixed price, the final invoice will reflect the final payment as noted in the award terms and conditions and will not reflect actual expenditures recorded in Oracle.

Letter of Credit (LOC): Payment method whereby the University is authorized to drawdown funds from the sponsor's account based on actual expenditures posted to the general ledger.

Fixed Price: Invoices are based on payment arrangements such as milestone completion, performance deliverables, or predetermined time interval, monthly, quarterly, etc. Invoices are not based on actual expenditures as recorded in Oracle and any unexpended balances at project end are retained by the University.

Milestone: The achievement of a specific activity or submission of a specific deliverable, such as the accrual of a certain number of patients.

Unliquidated Obligation: A commitment that has been incurred but not yet paid for.

5. Procedures

It is the responsibility of RFS to prepare and submit interim and final invoices based on the University's financial records. By preparing the invoice, the University is ensuring:

- All expenses comply with the University's allowable cost criteria;
- All expenses comply with sponsor terms and conditions;
- The invoice accurately reflects project expenses as captured in Oracle; and
- The work is progressing on schedule.

Cost Reimbursable Invoicing

Interim Invoices

At intervals required per the award agreement, typically monthly or quarterly, RFS will prepare the interim invoice based on expenditures posted to the award in Oracle and submit to the sponsor for payment. The PI, or designee, approval is not required on interim invoices.

Final Invoices

RFS will prepare the draft final invoice based on expenditures recorded to the award in Oracle as required by the award terms and conditions and/or sponsor requirements. Except in rare circumstances, when compliant with sponsor terms and with the approval of the RFS Director, final invoices will not include unliquidated obligations. (NIH explicitly prohibits the reporting of unliquidated obligations)

If the award is overspent when the draft final invoice is prepared, the PI, or designee, shall initiate the appropriate cost transfer(s) to clear the deficit and notify RFS of the pending adjustment. If the deficit is not resolved prior to the sponsor mandated closeout date the award will be reported as fully expended and the deficit will be offset in accordance with the *RFS Procedure - Overspending on Sponsored Programs* by available unrestricted funds, if any, under the PI's discretion; otherwise, the remaining balance will be charged to the respective Chair, Dean or Chancellor's non-sponsored (operating) project.

Upon receipt of the draft final invoice, the PI, or designee, will review and approve that all expenses have posted and are allowable, allocable and reasonable for the project. If adjustments are needed it is the responsibility of the PI, or designee, to initiate the appropriate cost transfer(s) and to notify RFS of the change. The PI shall allow ample time for the adjustments to be fully processed in Oracle prior to the generation of the final draft.

If the PI, or designee, does not approve within this specified timeframe, the invoice will be submitted to the sponsor to ensure the prescribed deadlines are met. Monthly notices will be sent to Dean's identifying projects where PIs did not approve final invoices within the prescribed period. RFS will continue to follow up with the PI and department personnel to obtain confirmation that all costs are allowable, allocable and reasonable, to identify any unallowable costs, and to update and submit final invoices as needed.

Invoice in Advance

Interim Invoices

Dependent upon the intervals indicated in the award agreement, RFS will prepare and submit the invoice based upon the amount indicated in the invoice schedule. Invoices in Advance do not require the approval of the PI, or designee. *Note: Awards with advance payment schedules do not always*

require invoices to be submitted. Oftentimes, the sponsor will send the payment without receipt of an invoice.

Final Invoices

RFS will prepare the draft final invoice based on expenditures recorded to the award in Oracle. Except in rare circumstances, when compliant with sponsor terms and with the approval of the RFS Director, final invoices will not include unliquidated obligations.

The final invoice will include a reconciliation of cash received and will reflect either a refund back to the sponsor for surplus funds or an additional balance due.

Please see the Cost Reimbursable Invoicing section for all other procedures related to final invoice preparation and submission.

Fixed Price Invoicing

Predetermined Interval Invoices

Dependent upon the intervals indicated in the award agreement, RFS will prepare and submit the invoice based upon the amount indicated in the invoice schedule, not upon expenditures as recorded in Oracle. A final reporting of actual expenses is not required and any unexpended balance at project end is retained by the University. Predetermined interval invoices do not require the approval of the PI, or designee.

Milestone Invoices / Performance Deliverable

Awards that are invoiced based upon completion of a milestone or submission of a deliverable require PI confirmation of completion prior to invoicing. As such, RFS will prepare the invoice and email the PI for approval prior to submitting to the sponsor. As with other Fixed Price projects, invoices are based upon amounts indicated in the invoicing schedule, not expenditures as recorded in Oracle. A final reporting of actual expenses is not required and any unexpended balances at project end are retained by the University.

Letter of Credit Drawdown

Interim Drawdowns

On a regular basis (weekly/bi-weekly), RFS will prepare an aggregate drawdown request for all Federal sponsored programs, by agency, and submit via their respective payment systems. Similar to cost reimbursable interim invoices, all drawdowns are based on expenses posted to the award in Oracle and do not require PI approval prior to submission.

Final Drawdowns

RFS will prepare the final drawdown based on expenditures posted to Oracle and confirm the figures reconcile with the Final Financial Report (FFR425). RFS will ensure that all drawdown requests are made prior to the expiration of funds as dictated by each sponsor, generally 90 days after award end date. Please see the *RFS Procedure - Sponsored Program Financial Reporting* for guidance on the preparation and submission of FFRs.

RFS Personnel are designated authority to sign-off on all invoices, whether that be via hard copy or electronic payment systems (e.g. NIH Payment Management System).

Revised Final Invoices

The revision of a final invoice, regardless of payment method, is not permitted, except in rare circumstances. If the revised final invoice results in a credit to the sponsor, the adjustments will always be accepted and the final invoice will be revised. If the revised final invoice results in additional expenses charged to the project, the sponsor policies will determine whether or not the

final invoice will be revised. Requests to submit a revised final invoice must be approved by the Director, RFS, or designee, and contain a justification for the revision and follow the RFS Procedure “Cost Transfers on Sponsored programs” where necessary.

6. Roles and Responsibilities

Department Personnel	<ul style="list-style-type: none">• Ensure that all expenses have posted to the award and are allowable, allocable and reasonable• Initiate any cost transfers, allowing for ample processing time, for adjustments to draft final invoices• Collaborate with RFS to ensure invoices are accurate and submitted timely to sponsor• Confirm completion of milestones / performance deliverables
Research Financial Services	<ul style="list-style-type: none">• Prepare and submit all invoices in accordance with sponsor requirements• Ensure that all invoices accurately reflect expenditures as recorded on the award in the University’s financial system (Oracle)• Collaborate with the Principal Investigator and department personnel to ensure invoices are accurate and submitted timely to sponsor
Principal Investigators	<ul style="list-style-type: none">• Ensure that all expenses have posted to the award and are allowable, allocable and reasonable.• Initiate any cost transfers, allowing for ample processing time, for adjustments to draft final invoices.• Collaborate with RFS to ensure invoices are accurate and submitted timely to sponsor.• Confirm completion of milestones / performance deliverables• Must complete certifications where required by the sponsor.

7. Resources

Related Procedures

- Sponsored Programs Closeout
- Overspending on Sponsored Programs
- Allowable Costs on Sponsored Programs
- Cost Transfers on Sponsored Programs
- AR Management on Sponsored Programs
- Sponsored Programs Financial Reporting

Federal Regulations

- Uniform Guidance 200.327 Financial Reporting
- NIH Grants Policy Statement 8.4.1 Reporting
- NIH Grants Policy Statement 8.4.1.5.2 Financial Expenditure Reports

