Subrecipient Invoice Receipt & Processing......

one year later

Brown Bag Series
February 23, 2011
Today’s Panel

• Dennis Titley, Assistant Manager, GCFA
  – Dennis.Titley@yale.edu, 785-3174

• Mark Prendergast, Associate Director of YSM Research Compliance & Accounting Support
  – Mark.Prendergast@yale.edu  785-6593

• Linda Haigh, Director of Accounts Payable
  – Linda.Haigh@yale.edu  432-2053
Today’s Agenda

- Today’s objectives
- Review of the Process: GCFA, Central, A/P
- Metric Comparisons: GCFA, Research Compliance Coordinator
- Process Improvements Made During the Year
- Review of Foreign Subcontract Payment Processing
- Recommendations
- Frequently asked Questions
- Audience Questions and Answers
Today’s Objectives

What you will gain from today’s presentation:

✓ An understanding of the progress made since November 2009

✓ An awareness of significant changes made to the subcontract process since November 2009

✓ An understanding of how to deal with challenging situations, including foreign subcontracts
• **Central Receipt of Invoices:**

A subrecipient must send its subaward invoices to one of two central locations:

**YSM (School of Medicine) subrecipient invoices**
- Research Compliance Coordinator
  - P. O. Box 208092
  - New Haven, CT 06520-8092

  Email: [YSMFINOPS.SUBCONTRACT@YALE.EDU](mailto:YSMFINOPS.SUBCONTRACT@YALE.EDU)
  **Contact:** Mark Prendergast 785-6593

**Central Campus (all non-Medical School) subrecipient invoices**
- Research Compliance Coordinator
  - P. O. Box 208314
  - New Haven, CT 06520-8314

  Email: [SSSB@YALE.EDU](mailto:SSSB@YALE.EDU)
  **Contact:** Hannah Carol 432-3464
YSM Financial Operations and the Shared Service Unit will do the following:

✓ Serve as the central receiving point for subrecipient invoices

✓ Verify invoices for correct charging instructions

✓ Compare subrecipient’s charging instructions to those in SMS

✓ Correct invoice charging instructions as necessary

✓ Scan all paper invoices to electronic format

✓ Forward electronic format invoices to department business offices
Review of the Process--Principal Investigator Role

- The PI or designee is required to sign each invoice

- The PI or designee signature acknowledges review of technical progress reports and/or satisfactory performance by the subrecipient

**Note:** If a PI designates signing authority, the designee must have knowledge of the projects technical progress
Review of the Process-- Department Business Office Role

• The departmental business office reviewer must ensure that **all subaward invoices** include the following information:
  
  ✓ Name of subrecipient  
  ✓ Date of invoice  
  ✓ Invoice number  
  ✓ Period of performance covered by invoice  
  ✓ Description of services described  
  ✓ Current period costs, including cost sharing  
  ✓ Cumulative project costs, including cost sharing, as compared to the project budget  
  ✓ Subrecipient contact person  
  ✓ Certification language  

• Once the invoice is reviewed by the business office representative, she or he must sign the invoice and forward an electronic copy attached to Accounts Payable via the Subaward Payment Form email template
To aid departments in reviewing invoices, a checklist has been created that can be accessed by going to the Toolkit at:

http://www.yale.edu/grants/toolkit/docs/departmental-subaward-invoice-checklist.doc

All toolkit forms can be viewed at:

http://www.yale.edu/grants/toolkit/index.html

<table>
<thead>
<tr>
<th>Subcontract Invoice</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Review and Approval checklist</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TO BE REVIEWED BY THE DEPARTMENTAL BUSINESS OFFICE:**

- A signed copy of the subcontract agreement for the period of the invoice has been received by the department
- Name of Subrecipient
- Date of invoice
- Invoice #
- Period of performance covered by invoice
- Description of services reflected by billings
- Current period costs, including cost sharing
- Cumulative project costs, including cost sharing, as compared to the project budget
- Subrecipient contact person with respect to the invoice
- Certification on each invoice as to the truth and accuracy of the invoice

Administrators are responsible for reviewing and approving invoices from subrecipients for adherence to budget. The departmental administrator’s signature on the invoice indicates that review has taken place.

The Principal Investigator or designee, whom has knowledge of the project’s technical progress, is required to sign each invoice to acknowledge review of technical progress reports and/or satisfactory performance by the subrecipient.
Invoice Submission to Accounts Payable:

- In an effort to improve the invoice validation process, **an email template** was created to ensure accuracy and standardization. **The template form must accompany all invoices when submitted to A/P**

- This template contains all required information needed for A/P to enter invoices into their system and greatly reduces the number of invoices that are placed on the A/P hold list.

- After subrecipient invoices are reviewed and approved, do the following:
  
  - **Scan the invoice**
  - Open the Subaward Payment Form email template which can be found by going to the Toolkit at: [http://www.yale.edu/grants/toolkit/subaward-payment-form.oft](http://www.yale.edu/grants/toolkit/subaward-payment-form.oft)
  - **Fill in the required information**
  - Attach the approved invoice to the email and send it directly to A/P at: **subawards.invoicing@yale.edu**

  *(Note: email link is preloaded if using the template at the above URL)*

- Electronic copy stored in A/P is considered the official document.
The following form is to be used for the purpose of submitting Subcontract invoices to Accounts Payable for processing and payment. Please complete all fields provided below and attach a copy of the invoice signed by the appropriate Principal Investigator (PI) and Business Official. Proper completion of this form template and ensuring signatures on attached invoices and forwarding to subawards.invoicing@yale.edu will assist in processing accuracy and in expediting payment.

<table>
<thead>
<tr>
<th>Charging PTAEO</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub K #</td>
<td></td>
</tr>
<tr>
<td>SubK Expenditure type #</td>
<td></td>
</tr>
<tr>
<td>Date of Invoice:</td>
<td></td>
</tr>
<tr>
<td>Period of Performance covered by Invoice:</td>
<td></td>
</tr>
<tr>
<td>Invoice #:</td>
<td></td>
</tr>
<tr>
<td>Amount to be Paid</td>
<td></td>
</tr>
<tr>
<td>Business Officials Name: **</td>
<td></td>
</tr>
<tr>
<td>PI or Designee Name: **</td>
<td></td>
</tr>
</tbody>
</table>

* For international invoice payments, please attach a copy of the W8-BEN form to the email with copy of signed invoice for payment processing.

(*NOTE: By typing and submitting the PI/Designee and Business Officials name above, you are attesting that the printed names above match the required signatures, and these signatures have been obtained and provided on the attached invoice).
## Metric Comparisons: GCFA

<table>
<thead>
<tr>
<th>Category</th>
<th>One year ago....</th>
<th>Now....</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing signatures</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td>Insufficient funding</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Incorrect subcontract number</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Daily number of invoices going on A/P Hold list</td>
<td>7 – 10</td>
<td>0 -- 2</td>
</tr>
<tr>
<td>Average number of invoices on A/P Hold list</td>
<td>100 – 130 invoices</td>
<td>15 – 20 invoices</td>
</tr>
<tr>
<td>% of total invoices processed failing validation</td>
<td>40%</td>
<td>15%</td>
</tr>
<tr>
<td>Collection inquiries</td>
<td>~ 28 per month</td>
<td>~22 per month</td>
</tr>
</tbody>
</table>

(forwarded to departments after checking with Procurement)
## Metric Comparisons: Research Compliance Coordinator

<table>
<thead>
<tr>
<th>Type of Invoice</th>
<th>YSM</th>
<th>FAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper invoice received directly by Coordinator</td>
<td>27 / 33% *</td>
<td>2 / 13% *</td>
</tr>
<tr>
<td>Paper invoice received elsewhere at the University and forwarded</td>
<td>15 / 18% *</td>
<td>5 / 31% *</td>
</tr>
<tr>
<td>Electronic invoice received directly by Coordinator</td>
<td>40 / 49%*</td>
<td>9 / 56% *</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>82 / 100%</td>
<td>16 / 100%</td>
</tr>
</tbody>
</table>

* Sample measured over a two week period
Process Improvements made this year...

- Written notification to all current subrecipients regarding contact and address change (on-going)

- Subaward set-up in OGM has changed from GCA to GCFA. The set-up group may be reached at:
  - ogmsetup@yale.edu

- Subaward template changes:
  - Final invoice due in 45 days (was 60)
  - Change of mailing address and contact

- Outlook Form Template (OFT) or Excel option (excel version will be added to the Toolkit)

- Vendor set-ups are requested by departments to the Vendor Compliance Unit
Process Improvements made this year in A/P...

- Submission of wire payments now requires the Sub-K email template

- Submission of all wire payments should now be addressed to Heather.Lopez@yale.edu and cc’d to Melissa.Wheaton@yale.edu

- Email template can be combined with the invoice into one file enabling A/P to forward the single file directly to our processing vendor. (PDF or TIFF format)

- Address payment inquiries to aphelpdesk@yale.edu
Review of Foreign subcontract payment processing

✓ When wiring payments to an international subrecipient, the invoice must be accompanied by Wire Transfer and IRS W-8 BEN forms.

✓ Wire Transfer forms can be accessed at: http://business.yale.edu/ppdev/forms.jsp - Accounts Payable

✓ IRS W-8 BEN information can be found at: http://www.yale.edu/tax/int/documents/IIFInstructions.doc

✓ Melissa Wheaton in A/P handles international wire transfers. melissa.wheaton@yale.edu

✓ Completion of the Subaward email template
Business Office Personnel Should:

✓ Verify the following items prior to submitting a subrecipient invoice to subawards.invoicing@yale.edu:
  ✓ All components of PTAEO in the template are accurate
  ✓ The expenses incurred on the invoice fall within the subaward period
  ✓ The cumulative costs incurred do not exceed the subaward total
  ✓ The subaward agreement is fully signed and received by GCA

✓ Contact the subrecipient if it appears you are missing an invoice

✓ Begin the process of P.I. review and approval as soon as the invoice is received to avoid delays in payment

✓ Utilize the Subaward Reconciliation Form located in the Toolkit on the GCA/GCFA website to help in closing awards with subawards

✓ Contact your GCFA Accountant for assistance if you have not received the final invoice by the deadline date indicated in the subaward document

✓ Should contact James Muhammad in A/P in the instances where it appears an invoice payment has been lost and requires check re-issuance
Recommendations (Cont.)

- Complete the *Departmental Subaward Invoice Checklist* for all invoices
- Do not delay the submission of a Final FSR to GCFA due to a late Final Invoice—Contact your Accountant who will assist in obtaining that last invoice
- Contact GCFA with special circumstances for guidance
FAQs

- A subrecipient has contacted me and has indicated that payment has not been received for an invoice that was processed and paid against Yale’s Prime award several months ago. How do I get a check reissued?
  
  - Contact aphelpdesk@yale.edu in A/P who will assist the subrecipient in getting a replacement check

- My subaward invoice appears to have charges on it that are inappropriate. What do I do?
  
  - Contact the subrecipient and make inquiries into the validity of the charge and request a corrected invoice if necessary. Contact GCFA for assistance, if needed

- An invoice I submitted to Subawards.Invoicing two weeks ago cannot be found in the Procurement system. What do I do?
  
  - Contact aphelpdesk@yale.edu in A/P and inquire. Do not assume the invoice is lost and resubmit the invoice a second time
Questions and Answers