**How to Process a Subaward Invoice**

**Departmental/FSS Steps**

**Invoice Received by the MSU Financial Contact (Attachment 6 of Subaward Agreement).**

**Before BPA is submitted to UBS/AP:**

1. Per Subaward Attachment 6, Subrecipient invoice includes:

* Sub ID #
* Billing period covered by invoice
* Columns for Current and Cumulative Costs
* Uniform Guidance Truth and Accuracy language if Federal
* Invoice is signed and dated by subrecipient
* Cost Sharing, if applicable, is documented

1. Expenditure review:
   * Expenses within Period of Performance (POP) of the subaward.
     + Billing period on first invoice should correspond with subaward start date.
     + Billing period for final invoice should not exceed budget period end date.
   * Expenses within budget categories and budget amounts of the subaward.
   * Total cumulative amount on invoice does not exceed the subaward Authorized Amount.
   * Overall cumulative amount agrees with your payment records.
   * Invoice Period follows previous Invoice Period. (Invoices in sequence, no gaps in billing periods.)

If elements of (1) are missing, follow up with Subrecipient before preparing BPA.

If criteria in (2) are incorrect, you may forward to [subawards@montana.edu](mailto:subawards@montana.edu) for clarification before processing further. It could be an amendment is in process, for example.

1. Approval to Pay:

* Before submitting the BPA, there must be approval to pay from one of the following: PI/BOM/FOM.
* If subrecipient indicates Final Bill, MSU PI must explicitly approve as the Final bill.

1. BPA:

* Include required UBS info on BPA (Vendor ID; Remit info has invoice number, invoice date)
* Also include Sub ID and Invoice Period in Remit info on BPA.
* Vendor address entered on BPA is the “Remit to” address listed on Subrecipient invoice.
* Verify correct account code used (621471 first 25K, 621472 over 25k)\*

\*For continuation subawards (same Scope of Work, new sub ID), will use 621472 once requirement of 25K met on project as a whole (incl. previous sub ID). When in doubt, please feel free to verify with OSP. \*

* Submit BPA to UBS/AP for processing and subsequent release to OSP Approval Queue.

**There can be flexibility with how the above steps are accomplished (in what order), utilizing the procedures best suited to a particular department and/or FSS Team.**

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**OSP Steps**

**BPA entered by UBS/AP and released to OSP Approval Queue. OSP verifies:**

1. Grant review

* Grant has sufficient funding to cover payment.
* Payment within grant POP, or within allowable Post-Award period (<120 days after grant end date).

1. Subrecipient Invoice review
   * Invoice requirements:
   * Subaward ID
   * Invoice Number
   * Invoice Date
   * Billing Period is listed
   * Truth and Accuracy/signed

* Expenditures
  + Billing Period is concurrent with history
  + Current and Cumulative expense are listed and correctly calculated
  + Expenditures correspond to subaward budget categories
  + No subaward budget category is materially overspent (>10%)
  + IDC is being applied and calculated properly
  + Expenditures are allowable per grant/per UG terms and conditions
  + Verify cumulative spending does not exceed Authorized Amount for subaward; cumulative amount on invoice agrees with subaward records

1. BPA review
   * Invoice amount matches BPA cover sheet.
   * Correct index on BPA.
   * Use of correct account code on BPA.
   * Invoice has approval to pay from PI or BOM/FOM.
   * Remit info correctly entered in Banner (subaward ID, billing period, invoice number, invoice date).
   * If Final, invoice is explicitly approved as Final by MSU PI.
2. Posting

* Correct account code entered in Banner.
* Correct vendor ID and address entered in Banner.

1. Reconciliation into OSP Subaward Accounts Payable.