

Subrecipient Invoicing



Policy Number: 100-600-023
Effective Date: July 1, 2023
Last Updated: June 14, 2025
Issuing Authority: Vice President for Research
Responsible Office: Office of Sponsored Programs (SPO)

Purpose:

This policy establishes Howard University's procedures for reviewing and approving invoices submitted by subrecipients under outgoing subawards, where Howard University is the prime recipient (Sub-Outs). It ensures that project costs are reasonable, allowable, and allocable under Uniform Guidance ([2 CFR 200.403](#) through [200.405](#)).

This policy does not apply to invoices related to subawards received by Howard University (Sub-Ins). For those, refer to the Award Acceptance & Setup Policy (100-600-006).

Policy:

To ensure proper financial oversight, Howard University requires that:

- Prior to processing invoices, verify a fully executed subcontract agreement.
- Invoices are reviewed and approved before payment.
- Costs comply with subaward budget terms and sponsor requirements.
- Payments are processed only after approval by the PI, SPO and the Controller (for payments over \$50,00).

Invoice Review Process:

1. Invoice Submission & Initial Review

- All subrecipient invoices must be submitted electronically through Workday.
- Subrecipient submits invoices to SPO Post Award for processing using the Howard University invoice template, unless prior approval for an alternate format is granted.
- SPO verifies the following:
 - Invoice date range aligns with the approved performance period.
 - The invoice amount does not exceed the budget.
 - The expenses are consistent with the approved budget categories.
 - Indirect costs (F&A) and fringe benefits are calculated correctly.
 - High-risk subrecipients must provide additional documentation (e.g., payroll records, receipts).
 - Invoice review must reference pre-award risk assessments from 100-600-014.

2. PI Review & Approval

- PI ensures that:
 - Invoiced expenses align with project progress and scope.

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- All deliverables and technical reports have been received.
 - Any discrepancies or concerns are addressed before approval.
- PI must review and approve within 10 business days of receipt.
- PI certification is required to confirm that all expenses are reasonable, allocable, and necessary.

3. SPO Compliance Review

- SPO ensures:
 - Compliance with federal cost principles ([2 CFR 200.403–405](#)).
 - Correct documentation for audit readiness.
 - Any cost-sharing or matching funds are properly documented.
 - Reviews financial accuracy and ensures expenses are properly categorized.
- SPO must complete their reviews within 5 business days.
- Invoice approvals and tracking must be documented in Cayuse/Workday.
- Additional approval by SPO is required for high-risk subrecipient invoices.
- Additional approval by the Controller is required for payments over \$50,000.
- Additional approvals are required for spending over \$50,000, refer to *200-003 Procurement General Policy* for additional guidelines.

4. Payment Processing

- Only after full approvals (SPO, PI and Controller for payments over \$50,000), payment is released.
- Final invoices require additional verification to ensure:
 - All deliverables are received and approved.
 - The invoice is marked "FINAL", confirming that no further payments will be made.
 - SPO conducts closeout reconciliation before release.
- Payment must be processed in accordance with the Award Close-out Policy.
- Automated alerts and tracking reports must be generated for overdue invoices.
- Mandatory training for all personnel involved in invoice processing and subrecipient financial compliance.

Escalation for Non-Compliant Invoices:

1. First issue: Subrecipient is notified and must correct errors.
2. Second issue: Additional documentation is required before processing.
3. Third issue: Payments may be delayed, and SPO will conduct enhanced monitoring, including:
 - Mandatory meeting with PI and SPO.
 - Senior Research Leadership involvement for continued non-compliance,
 - Possible suspension of subaward payments.

High-Risk Subrecipient Oversight:

Enhanced monitoring for high-risk subrecipients includes:

- Monthly invoice reviews
- Pre-payment verification
- Additional compliance checks by SPO.

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- Site visits, if deemed necessary

Roles and Responsibilities:

- **Principal Investigator (PI):** Ensures invoices align with project progress and scope.
- **Sponsored Programs Office (SPO):** Verifies compliance, including fully executed subcontract, and approves invoices before payment.
- **Controller:** The Controller approves payments above \$50,000.

Refer to *200-003 Procurement General Policy* for additional approvals that may be necessary.

Related Policies and References:

- Subrecipient Monitoring Policy (100-600-014)
- Subcontract Execution & Approval Policy (100-600-013)
- Award Acceptance & Setup Policy (100-600-006)
- Award Close-Out (100-600-037)
- Procurement General Policy (200-003)
- [Office of Research Ticketing System \(OoR\)](#)