

## Guidelines for Subrecipient Monitoring

### All Certified Invoices (cost reimbursable) 1, 2 & 3 is required:

#### 1. Does the invoice have all of the standard data elements?

- a. Name of the subrecipient
- b. JHU Purchase order number
- c. Date of the invoice
- d. Invoice number and project title
- e. Period of performance covered by the invoice
- f. Breakdown of cost by approved budget categories
- g. Breakdown of costs in accordance with expenditure categories
- h. Previous, current and cumulative project costs
- i. Cost sharing (if applicable)
- j. Program income generated (If applicable)
- k. Cash Balance & Interest Earned (If applicable)
- l. Contact person for invoice questions
- m. Certification as to the truth and accuracy of the invoice (signature with statement)

#### 2. Review Invoice for Financial Accuracy

- a. Expense in line with budget category amounts
- b. Amounts aren't round dollars solely based on a percentage of budget
- c. Previous expense + Current expense = Cumulative expense for each budget category
- d. Column totals equal the amount of individual column amounts in total
- e. Fringe cost are in line with salary expense for the agreed upon fringe rate
- f. Facilities and Administrative (F&A) costs are in line with applicable costs for the agreed upon F&A rate
- g. Period of performance invoiced is not in advance of the current calendar date unless immediate cash needs are being met. If so, cash balances and interest must be tracked and reconciled before additional payments can be made.

#### 3. Payment Certification Form

- a. Progress of work proportionally in line with the expense incurred
- b. Progress report received and reviewed (if applicable)
- c. Proof of required deliverables (if applicable)
- d. Documented conferences, meetings, correspondences (if applicable)
- e. Principal Investigator and Financial Personnel signature

High Risk subrecipients (include 1, 2, and 3 from above)

4. Ledger Detail (accounting statement) to support certified cost reimbursable Invoice- a financial system or manually generated report reflecting all expense and revenue for a particular funded project within a specific time period accompanying an invoice.

- a. Summary review every invoice
  - i) Review at the sponsor class level (salaries, supplies, equipment, travel, F&A, etc.) from the invoice reconciles to the accounting statement.
  - ii) Review total amount invoiced to the total amount of accounting statement.
  - iii) Discrepancies in the above review would prevent the invoiced from being approved.
  - iv) Discrepancies are resolved via direct contact with the Subrecipient
  - v) Document review with signatures and approval and follow-up actions in the situations of discrepancies
  
- b. Detail review every six months
  - i) Summary review performed per 4a.
  - ii) Detail review (receipts, invoices, time cards, etc.) of selected line items to confirm if the cost are allowable, allocable, reasonable, approved in budget or within rebudgeting criteria as it relates to the terms and condition of the award and agency guidelines
  - iii) Discrepancies would need to be resolved before payment is made
  - iv) Discrepancies may trigger desk audit
  - v) Unable to secure detail ledger would trigger a desk audit (#2 under Additional Sub-monitoring Activities)
  - vi) Document review with appropriate signatures, dates and follow-up actions in the situations of discrepancies. Findings could lead to a for cause desk audit.

**Additional Sub-monitoring Activities:**

1. Review of Progress Reports

- a. Is receipt of report timely as indicated in the sub-agreement?
- b. Scope of work objectives on track in conjunction with award period and remaining budget?
- c. Any substantial change in Effort of key personnel?

2. Desk Audit - requesting supporting detail for a selected Invoice and reconciling amounts invoiced to support received

- a. Supporting Documentation
  - 1) Detail ledger (accounting statement) - financial system generated report that shows all expense and revenue for a particular funded project within a specific time period.

- 2) Copies of invoices and receipts for procurement, travel, equipment, services centers, contract agreements, etc.
  - 3) copies of effort reports / time cards/ attendance records supporting salaries charged
  - 4) copy of F&A and fringe rate agreements
- b. Review of Supporting Documentation
- 1) reconcile support received to actual amount invoiced
  - 2) non-reconciled amounts will be considered unallowable and funds to be returned
  - 3) If procedures/ policies are lacking recommendation should be made to have process put into place to rectify any deficiencies.
  - 4) Depending on outcome may be necessary to have certain support provided for each invoice going forward.

3. Site Visit – documented visit to the physical location of the subrecipient to review policies, systems, record retention, supporting details, separation of duties, procurement process, etc. Also, to provide guidance, training and make recommendations for improvements as needed.

frequency - depends on the timing and quality of previously performed desk reviews, the seriousness of deficiencies of internal controls/policies, financial systems, amount of funding passed through and location will determine the schedule of site visits in conjunction with the input of the Department, Divisional Business Office, Office of Research Administration and the Controller's Office.