



IMPLEMENTATION GUIDELINES

TO: Distribution
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REFERENCE: (a) MIT Subawards Policies and Procedures Section 9 "Subaward Invoice Administration"
(b) MIT Subawards Policies and Procedures Form 9.1A "Subawards Invoice Check Sheet"
(c) MIT Subawards Policies and Procedures Section 10 "Closeout of Subawards"

SUBJECT: RSO Subaward Invoice Management Program

The OSP Research Subawards Office (RSO) has implemented an Invoice Management Program that tracks subaward invoices through the review/approval/payment stages. The research subawards office is maintaining an electronic general invoice log which tracks all research subaward invoices received by the office.

Steps in the RSO Subaward Invoice Management Program include the following:

- Invoice received at MIT OSP RSO Office E19-604
- RSO: review/rectify any discrepancies/log-in/route invoice to DLC
- DLC: review invoice/approve/ route the invoice back to OSP RSO E19-604
- RSO: update invoice log/initial invoice then route invoice to Accounts Payable E19-546 for payment
- A/P: issues payment of invoice

1. Invoices: Review

RSO Subaward Administrator:

The subaward administrator reviews invoices in accordance with the MIT Policies and Procedures to ensure that the invoice is administrative and financially correct or that appropriate adjustments have been made. The invoice review sheet is then completed, signed and filed in the RSO subaward folder. The invoice is then stamped (new RSO red ink approval stamp, see below) and forwarded to the DLC for review/approval.

NOTE: Invoices that have (1) a name discrepancy from that listed on the subaward or (2) incorrect, incomplete or no subaward number referenced or (3) no cost share information or (4) no period of performance should be reconciled/corrected by the Research Subawards Office prior to routing to the DLCs for review/approval and payment processing.

DLC Account/Invoice Approver:

The DLCs will review the invoices from a technical and programmatic point of view. For example: Are the costs reasonable or equivalent to the amount of progress? Following review/approval, the DLC will return the invoice to the RSO Office E19-604, where RSO will log the review information into the

RSO Invoice Log, initial the invoice, and forward to Accounts Payable Section (A/P) of the Controller's Accounting Office for payment. NOTE: It is the responsibility of the DLC to review the invoice in a timely matter. The invoice review should be completed within 10 days from receipt and returned to the RSO Office either approved or disapproved. If the invoice is disapproved, please provide a brief explanation and the RSO Office will contact the Subawardee for explanation and resolution.

2. Invoices: Approval Stamp

RSO has now obtained a new red ink approval stamp for this purpose, based upon the design of the stamp used in CAO. There several blocks noted as follows:

- Subaward P.O.#
- Cost Object
- G/L Account
- Amount
- Billing Period
- PO Complete
- Date Invoice Received
- RSO Approval
- Authorized Signature (DLC) with Certification Clause

The "Authorized Signature" block is reserved for the DLC approver. The "RSO Approval" block is to be initialed by a member of the Research Subawards Office.

3. Invoices: Payment

Once the Accounts Payable section (A/P) of the Controller's Accounting Office receives an approved invoice, A/P will process the invoice for payment. In some instances, A/P may come upon some issues with the WBS element in processing an invoice for payment. If this is the case, the A/P administrator should contact the RSO administrator who initialed the invoice and request assistance.

4. Final Invoice

Upon receipt of the final invoice at the RSO Office, the subaward administrator will conduct an overall analytical review of the final cumulative invoice for reasonableness and accuracy. The subaward administrator will:

- Conduct a comparison of the invoiced overhead rates to those included in the subawardee's pricing proposal and supporting documentation and a reconciliation of any differences.
- Review and verify the final amounts billed and final amounts available for payment (according to subaward and Accounts Payable records) have not been exceeded.
- In the case of subawardee overbilling (due to cost disallowance, downward burden adjustments, etc.), the subawardee must issue a credit and/or check to adjust the amount overbilled.

Any cost variances must be reconciled prior to releasing the final invoice for payment.

After completion of review of the final invoice, the invoice will be forwarded to the DLC per the above guidelines (Paragraphs 1, 2 and 3). NOTE: The RSO Office strongly recommends that the final cumulative invoice be reviewed and approved by the MIT PI listed under the WBS element.

NOTE: It is MIT's policy that when a final subaward invoice is received sixty days following the end date of the Subaward Agreement, the invoice shall be honored for payment at the discretion of MIT unless another date for submission is agreed upon in advance by MIT and the subawardee.

A final subaward invoice received after MIT's Sponsored award final invoice due date will require the approval of MIT's Sponsor before payment to the Subawardee can be made. If the Sponsor does not approve the invoice for payment, MIT will reject payment of the subaward invoice and return it to the Subawardee in accordance with the terms and conditions of the subaward agreement.

5. Subaward Closeout

In accordance with MIT Subawards Policies and Procedures Section 10, all subawards must be processed for closeout and formally closed on a timely basis.

The requirements of the prime award under which a subaward is issued will be considered during the closeout process. MIT cannot close out a prime award until all subawards issued under the prime award have been closed out.

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