

FAQ for Review and Payment of Subrecipient Invoices

In accordance with Uniform Guidance (UG) [§200.331\(d\)\(1\)](#), Caltech must document that technical/financial reports have been reviewed/approved by the person with direct knowledge of the activities involved and have appropriate authorizations. To comply with UG [§200.305\(b\)\(3\)](#), Caltech recommends that the PI or his/her designee with first-hand knowledge review, approve, and sign invoices to ensure the costs charged are consistent with project objectives and progress and that they are allowable costs to the project. Please see the following Frequently Asked Questions (FAQs) regarding implementation of these UG requirements:

Q: Why do we need to document that we've reviewed technical performance and financial reports/invoices?

A: [UG §200.331](#) states:

- “All pass-through entities must:
 -(d) Monitor the activities of the Subrecipient as necessary to ensure that the Subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the Subaward; and that Subaward performance goals are achieved. Pass-through entity monitoring of the Subrecipient must include:
 - (1) Reviewing financial and performance reports required by the pass-through entity.”

Q: How do we need to document that we've reviewed technical performance and financial reports/invoices?

A: You will need to be able to demonstrate via a paper/electronic trail that:

- Invoice approver has direct knowledge of the activities involved and has appropriate authorizations, or secures approval from someone who does.
- Required technical/financial reports have been reviewed/approved by the person with direct knowledge of the activities involved and have appropriate authorizations.

Q: What is the requirement that we need to pay Subrecipient invoices within 30 days?

A: [§200.305\(b\)\(3\)](#) states...”When the reimbursement method is used, the Federal awarding agency or **pass-through entity** must make payment within **30 calendar days** after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.”

Q: Should subrecipient invoices be sent directly to the Division or to Payment Services?

A: All invoices should be submitted to Payment Services via email accountspayable@caltech.edu . Invoices should also be concurrently routed to the Caltech Financial contact noted in the subaward.

Q: Am I required to use the recommended Subrecipient Monitoring Checklist?

A: You are required to demonstrate compliance with the regulatory requirements. At this time, no additional documents are required if your current process can demonstrate via a paper/electronic trail that:

- Invoice approver has direct knowledge of the activities involved and has appropriate authorizations, or secures approval from someone who does.
- Required technical/financial reports have been reviewed/approved by person with direct knowledge of the activities involved and has appropriate authorizations.

Q: What are some options I could use to document compliance in this area?

A: Options to document compliance include:

- Option 1:
 - PI approves via email or by signature on invoice and Subrecipient Monitoring Checklist
- Option 2:
 - PI delegates authority to person with direct knowledge and appropriate authorizations. Delegate signs Subrecipient Monitoring Checklist and invoice:
 - How to document “direct knowledge”: e.g., meet monthly with PI to discuss subrecipient’s performance to obtain direct knowledge of the activities performed and expectations of future invoices. Documentation of this option could be: meeting agendas, notes from meetings, authorization to pay invoices, etc.
 - Examples of responsible persons who may have direct knowledge based on their role on the project: Project Manager, Lab Manager, Co-PI, etc.

Q: What should a subrecipient invoice include?

A: An invoice should include:

- Subrecipient name and date of invoice
- Subrecipient invoice number
- Caltech Subaward number
- Period of performance covered by invoice
- Expenditures by major category (e.g., salaries, benefits, supplies, equipment, F&A, etc.)
- Current period costs and cumulative costs
- Certification and corresponding signature per UG §200.415