

PI Article: What Sponsors Look for When Reviewing Invoices

A common misconception with invoicing is that all sponsors need from us is a timely invoice requesting payment and they will pay right away. The reality is that our sponsors are not going to pay us unless everything on the submitted invoice aligns with their expectations. The list below represents examples of what sponsors are looking for when they review our invoices. If there are issues, they may either short pay them (only pay the amounts and items they don't question) or outright reject them – both of which create significant accounting and logistical challenges.

- **Spending to Budget Alignment:** Is your spending in line with the budgeted categories and are you within budget for each category?
 - For materials and supplies (M&S) spending, is this budgeted on the award? If so, do you have receipts, as sponsors often require receipts submitted with invoices.
 - Are there any charges outside of budget (like foreign travel) when none was budgeted?
- **Changes in Spending Plans:** If you are changing where you plan to spend sponsor dollars and it requires sponsor approval, did you get that approval prior to spending?
- **Period of Performance (POP) spending:** Were the expenditures appearing on the invoice incurred within the period of performance (POP) for the award?
- **Personnel:** Are the individuals paid off the award individuals who are listed and approved in the budget? Are you paying more individuals than budgeted (e.g., paying four graduate research assistants when you only budgeted two)?
- **Travel:** Was travel preapproved by the sponsor? Are you following the sponsor's travel requirements (domestic and foreign)? Are the per diem rates in line with what was agreed to in the contract (if applicable) and are they aligned with U.S. General Services Administration (GSA) rates?
- **Cost Sharing:** Have you met your cost share in line with what was proposed and accepted by the sponsor? If they want to see the rate at which you are recording cost share aligned with your spending rate, is that the case? If they want to see a set percentage of total award dollars captured as cost sharing consistently over the life of the award, is that happening? Is the form of cost sharing you are submitting approved by the sponsor?
- **PI Reporting Deliverables:** Are there any non-financial programmatic PI deliverables (like technical or progress reports) that need to be completed and submitted along with the invoice?
- **Participant support cost** – sponsor approval must be obtained before incurring these costs.
- **Carryforward** – this is the process by which unspent and unobligated funds remaining at the end of the budget period may be carried forward to the next budget period. If the carryforward is not “automatic” or “prohibited,” it will be considered “restricted” and sponsor approval will be necessary to spend in the next period.

Along with all of the items above, PIs and grant managers should review monthly expenditures at the end of each month (after personnel costs have posted and eWAFs are available) to ensure correctness and that all posted charges are reasonable and allowable. If there are any expenditures that should be on there that are missing, PIs should work with their grant managers to make sure that those costs are transferred over. By doing this on a monthly basis, we can avoid late cost transfer requests and get paid in a timely manner.

If you have any questions about sponsor invoicing, please contact Josh Rosenberg at josh.rosenberg@business.gatech.edu.