



SOUTH CAROLINA DEPARTMENT OF PUBLIC HEALTH

SUBAWARD INVOICES AND SUPPORTING DOCUMENTATION

PREFACE

The Subrecipient is responsible for the efficient and effective administration of the federal subaward through the application of sound management practices. The Subrecipient is responsible for administering federal funds in manner consistent with the underlying agreements, program objectives, and the terms and conditions of the federal award. The Subrecipient is responsible for understanding and maintaining compliance with 2 CFR 200 “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.”

SUPPORTING DOCUMENTATION REQUIREMENTS

This document is intended as a guide to the appropriate supporting documentation for subrecipient expenditures. This document applies to all federal subawards. Federal grantors often impose more specific, detailed and/or restrictive documentation requirements on the Agency. Based on the funding source of the subaward, DPH may require additional documentation that is not addressed in this guide. Please refer to the “Method of Payment” section of your subaward for additional details if applicable.

All expenditures and financial transactions must be supported by documentation that supports why the transaction is allowable for grant purposes. Accounting records must trace back to source documentation. Subrecipients should design a system to organize, group, submit and retain the related information for each grant and activity. DPH can and will audit records at any time.

Documentation must demonstrate that costs are:

- Reasonable, allocable, and allowable
- Within grant limits
- Treated consistently
- Determined in accordance with Generally Accepted Accounting Principles (GAAP) and the applicable OMB cost principles.

Retention and Availability

Supporting documentation must be retained by the Subrecipient for the entire retention period indicated in the subaward.

Supporting documentation is required as an attachment to the invoice dependent upon the individual circumstances of the subrecipient, the category of expenditure or other condition(s) cited in the subaward.

Additional supporting documentation may be requested by DPH at any time during the subaward period of performance and retention period as a whole. **Documentation must be readily available upon request.**

Examples of Supporting Documentation

Supporting documentation includes but is not limited to the following:

- Paid receipts
- Canceled checks or check & payment registers from Subrecipient's financial management system
- Travel logs
- Hotel/motel folios
- Journal entries
- Training or other event attendance rosters
- Time and attendance activity reports
- Payroll time sheets completed by employee and signed by supervisor
- Performance reports
- Payroll registers indicating the employee's name, dates, hours and costs charged to the grant
- Credit Card Statements
- Depreciation/amortization schedules
- Cost allocation plans
- Detailed audit reports including auditor's comments and corrective action plans
- 2nd tier subawards
- Contracts with and invoices from vendors or other service providers
- Policies and procedures
- Personnel position descriptions

PROCEDURES FOR SUBMITTING INVOICES

Reimbursement will be for actual allowable costs incurred and must be consistent with the approved budget incorporated into the subaward. Only expenditures obligated during the subaward period of performance can be submitted for reimbursement. Depending on the unique nature of services for a particular subaward, payments to individuals must be in the form of a check or direct deposit. No cash transactions to individuals will be reimbursed.

The invoice and any required supporting documentation should be submitted by funding source. The preferred method of submission is via email as a PDF or similar formatted attachment. The invoice must be clean and readable with all protected health information redacted.

The invoice must include:

- Subaward document number
- Subrecipient name and remittance address
- Billing period
- Funding source for which reimbursement is being requested
- If the subaward contains multiple sources of funding a separate invoice for each funding source must be submitted.
- A brief description of the Scope of Services
- An itemized listing of expenses incurred by budget category with the total amount clearly stated
- If salary or fringe benefit reimbursement is being requested, please specify the payroll periodicity such as "1st thru 16th" or "once every two weeks".

Instructions for Specific Budget Categories

The level of detailed documentation may vary based on your risk assessment and past history.

Salaries

All salaries must be supported by a time and attendance system which accurately reflects the time employees spend on federal grant activities. At the beginning of your grant period, the first invoice for reimbursement of salary expenses must demonstrate how the expense was calculated. Subsequent invoices may not require this demonstration unless specifically requested.

Example: Employee #1 has an annual salary \$72,000 and is paid semi-monthly (twice a month or 24 times a year)
Employee #1 works full time for the federal program with no other funding

Monthly Invoice: Employee #1 payroll $\$72,000/24 = \$3,000$ paid on 1st and 16th = \$6,000

Employee #2 has an annual salary \$72,000 and is paid semi-monthly (twice a month or 24 times a year)
Employee #2 works part of the time (40%) for the federal program and is split funded

Monthly Invoice: Employee #2 payroll $\$72,000/24 = \$3,000 * 40\% = \$1,200$ paid on 1st and 16th = $\$2,400$

The Subrecipient must monitor each employee's time spent on federal grant activities to assure all final expenses are within the limits of the approved budget. By the end of the federal subaward period of availability, the value of the time must be reconciled with the invoiced expenses and approved budget. If an employee's final federal payroll exceeds the value of the time reported, the difference MUST be returned to DPH.

Fringe Benefits, Payroll Taxes, etc.

The Subrecipient is responsible for maintaining cost documentation related to health insurance, state and federal withholdings and any other benefits paid. At the beginning of your grant period, the first invoice for reimbursement of fringe benefit expenses must demonstrate how the expense was calculated. Subsequent invoices may not require this demonstration unless specifically requested.

Example: Employee #1 monthly payroll = $\$6,000$, FICA = 6.2% of payroll + Medicare = 1.45%
for a total of 7.65%
Employee #1 works full time on the federal program with no other split funding

Monthly Invoice: Employee #1 payroll $\$6,000 * 7.65\% = \459

Example: Employee #2 is split funded and only works 40% for the federal program
Health Insurance premium per employee per month = $\$600$

Monthly Invoice: Employee #2 $\$600 * 40\% = \240

The Subrecipient must monitor each employee's time spent on federal grant activities to assure all final expenses are within the limits of the approved budget. By the end of the federal subaward period of availability, the value of the time must be reconciled with the invoiced expenses and approved budget. If an employee's final federal payroll exceeds the value of the time reported, the pro-rata share of fringe benefits MUST be returned to DPH.

Travel

Reimbursement of travel expenses, including mileage and subsistence (meals), will be limited to the standard rates for State employee travel in effect during the period of availability for the subaward. All rates are subject to the Office of the Comptroller General's policies and procedures in effect for the calendar year and are subject to change. The standard rates for mileage and subsistence can be found on the following website.

<https://www.cg.sc.gov/guidance-and-forms-state-agencies/travel-forms-and-mileage-rate>.

All requests for travel mileage reimbursement must include the following documentation with the invoice.

- Employee name
- Employee headquarters (work address)
- Date(s) of the travel
- Destination (address)
- Reason for the visit
- Parking fees if applicable
- Miles traveled
- Mileage reimbursement rate (must not exceed SC State employee reimbursement rate)
- Total reimbursement requested

All requests for travel subsistence (food) reimbursement must include the following documentation with the invoice.

- Employee name
- Employee headquarters (address)
- Destination (address)
- Date and time of departure from official headquarters or home
- Date and time of arrival to destination
- Date and time of return to official headquarters or home
- Total reimbursement requested

Reimbursement for room and board will be at the established federal General Services Administration (GSA) rate (before

taxes are applied) or below for the area of travel. All rates are subject to seasonal fluctuations and must be verified prior to making each reservation. The standard GSA rates for hotels can be found on the following website.

<https://www.gsa.gov/travel/plan-book/per-diem-rates>.

All requests for travel lodging reimbursement must include the following documentation with the invoice.

- Employee name
- Employee headquarters (address)
- Destination (address)
- Date(s) of the travel
- Hotel/Motel folio showing zero balance owed
- Total "Paid" reimbursement requested

All Other Operating Expenditures

For all other operating expenses, please submit a copy of the appropriate source document with the invoice. Refer to the "Examples of Supporting Documentation" listed above.

Indirect Cost

In the event the Subrecipient charges indirect cost, the following must be submitted:

- For federally approved negotiated rates, a copy of the indirect cost rate agreement must be submitted to DPH upon execution of the subaward. If a copy has not been received, reimbursement cannot be completed. At the beginning of your grant period, the first invoice for reimbursement of indirect cost must demonstrate how the expense was calculated. Subsequent invoices may not require this demonstration unless specifically requested.

Example: Labor base monthly payroll = \$6,000, indirect cost rate = 19.75%
 Monthly Invoice: Payroll \$6,000 * 19.75% = \$1,185

- For Subrecipients using the 10% de minimis rate, at the beginning of your grant period, the first invoice for reimbursement of indirect cost must demonstrate how the expense was calculated. Subsequent invoices do not require this demonstration.

Example: Monthly Invoice: De minimis MTDC * 10% = \$59,200

MODIFIED TOTAL DIRECT COST (MTDC)			
BUDGET LINE ITEM	MONTHLY DIRECT COST	UNALLOWABLE COST	MTDC ELIGIBLE
Direct Salaries	450,000		450,000
Fringe Benefits	60,000		60,000
Travel	15,000		15,000
Equipment (non capitalized)	7,000		7,000
Equipment (capitalized)	12,000	-12,000 *1	0
Subawards	65,000	-40,000 *2	25,000
Supplies	35,000		35,000
Capital Expenditures	150,000	-150,000 *3	0
Rent	5,500	-5,500 *4	0
	799,500	-207,500	MTDC = 592,000
		Deminimis 10%	59,200
*1 Capitalized equipment >= \$5,000 is unallowable for purposes of indirect cost			
*2 Only the first \$25,000 is eligible for purposes of indirect cost			
*3 Rent is unallowable for purposes of indirect cost			
*4 Capital expenditures are unallowable for purposes of indirect cost			

Journal Entries

In the event the Subrecipient's accounting records must be adjusted via journal entry, DPH requires a written explanation as to the reason why it was done and a reconciliation with previously paid expenses if applicable.

For any journal entry that reduces the cost of a previously reimbursed expenditure, the resulting cash balance must be returned to DPH. The return amount cannot be not used to offset other expenditures.

For any journal entry that transfers previously posted cost to the federal subaward, the journal entry must be included on the monthly invoice.