

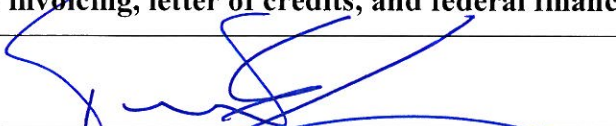


# Florida Agricultural & Mechanical University

Division of Research  
Office of Contracts and Grants

## INTERNAL OPERATING MEMORANDUM

Memorandum No. 16D.001

<b>Subject:</b>	<b>Preparation of Invoices, Letter of Credits and Financial Reports</b>	
<b>Authority:</b>	<b>Grantor Terms and Conditions</b>	<b>Date: 07/19/2010 Revised: 01/08/2016</b>
<b>Related References</b>	<b>2 CFR, Part 200.327, Office of Management and Budget</b>	
<b>Purpose</b>	<b>To establish procedures for the preparation of the reports required for invoicing, letter of credits, and federal financial reports</b>	
<b>Signature of Approving Authority</b>		

### DEFINITIONS

- A. Standard Form (SF) 270 - Request for Advance of Reimbursement
- B. Standard Form (SF) 425 - Federal Financial Report
- C. Standard Form (SF) 1034 - Public Voucher for Purchases and Services other than Personal (Total invoice amount)
- D. Standard Form (SF) 1035 - Public Voucher for Purchases and Services other than Personal (by budget category)
- E. IRattler – The automated financial accounting system used by the University

### GENERAL

The federal funding agencies require recipients to prepare and submit forms SF 270, SF 1034, SF 425, or SF 1035 according to the terms and conditions of the award. Other non-federal funding agencies may provide specific formats as specified in the award agreement. Submission timelines are also based on the requirements of the sponsoring agency.

### PROCEDURE

All fiscal reports and drawdown requests are prepared using the following procedures:

- A query using FAMGM\_PROJ\_EXPS\_IN\_GL1\_CG\_CNG is run from the IRattler system by project number for life to date expenditures. The GL1 includes all expenditure information posted to the general ledger and is summarized by account number and date.  
In some cases, an agency will require support documentation to be submitted with the invoice. The Accountant will use the PROJECT EXPENSE REPORT, which provides detail for each expenditure (excludes payroll) to get the necessary information to obtain the required support documentation from the accounts payable. The following steps are required:

1. Run the PROJECTEXPENSES for each project related to the invoice being prepared.

2. Using the voucher number on the query, navigate to the “Voucher Inquiry” screen in the people soft system to obtain check number and check date. The check number, check date, voucher number, and the vendor name is then recorded on the “Voucher Request” form and submitted to the Warrant Distribution supervisor.
- The results from the query is saved into an excel document. The expenditure query is then sorted by category and date to determine the current expenditures based on life to date less previous amount billed.
  - An excel worksheet is then prepared to reflect life to date expenditures as well as expenditures for the current reporting period. Calculations for allocations of workers compensation, unemployment compensation and indirect cost are done on this worksheet. A journal entry may be required to ensure that UC/WC and/or indirect cost calculations are correctly reflected in the ledger.
  - Prior to submitting the invoice/ draw request, the accountant will verify the cash previously received from the funding agency. This can be accomplished by reviewing previous invoice or accessing agency accounting records in some cases. The accountant should run the FAMGL078 query to ensure that the correct amount of cash is posted to the project.
  - After completing the worksheet, the appropriate reporting/invoicing/drawdown form must be completed for submission to the funding agency. The format will differ based upon the funding agency and the requirements of the grant. Some federal agencies require a SF270, SF1034 and SF 1035 for invoicing purposes. Other federal agencies require a Federal Financial Report (SF425). For agencies other than federal, there may be a specific requirement as to the reporting and/or invoicing form.
  - The invoice/ drawdown request is submitted to the Director of Contracts & Grants for approval.
  - The invoice is submitted electronically or via hard-copy according to the funding agency requirements by the Accountant.
  - A copy of the invoice/ draw request along with supporting documentation should be placed in the project file. A copy should also be forwarded to the Office of Sponsored Programs (OSP) and the Principle Investigators (PI) office. The OSP and PI’s copy should include the invoice along with the worksheet.

## **FINAL INVOICE**

Most federal grants have a ninety day liquidation period after the end date of the award before final invoice/report is due. The Office of Sponsored Programs will notify the PI sixty days prior to the end of the project to ensure that all encumbrances are paid. An encumbrance report is submitted to the PI at this time. (The notification time for state and private projects will vary according to the terms and conditions of the project.)

Prior to end of the liquidation period the final invoice/ drawdown to the funding agency is prepared using the following additional procedures.

- The project will be placed in the appropriate close out stage to prevent any further expenditure to the project.
- A final reconciliation by the department will occur to ensure that all vendor invoices for the project have been paid
- The accountant will verify that all cash has been received from the funding agency for all previous expenditures billed.
- The FAMGL078 QUERY will be pulled to verify that cash received has been posted to the general ledger.
- Prepare the report using the above procedures.
- Submit a copy of the report to the Principal Investigator for review prior to submission to the funding agency.
- Submit the report to the funding agency as outlined in the above procedures.
- Upon receipt of final payment for the project, post cash to project. Project is then placed in “C” status to financially close.

## **RECORDS**

The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.