As a part of a large award from USAID to Virginia Tech on Integrated Pest Management Collaborative Research Program (IPM CRSP), the following guidelines are being provided to help ensure fiscal accuracy, accountability, responsibility and soundness.

Establishing US and International Subaward Contracts

The initiation, establishment and monitoring of subawards require special attention. The IPM CRSP Management Entity (ME) at Virginia Tech is responsible for overall management of these contractual relations. However, to create a smooth process, coordination between four partners (or groups of partners) is required:

- The US university’s Program Leader (PL)/Principal Investigator (PI);
- The Subaward institutions (including their principal researchers/collaborators, signatory authorities and accountants);
- The Management Entity office at Virginia Tech; and
- Virginia Tech’s Office of Sponsored Programs.

The Program Leader is crucial to the efficient establishment, implementation and monitoring of subawards. As the person in closest regular contact with all partners, the Program Leader is an active partner in establishing good working relationships between the ME and all subawardees. Clarity in all communications is essential so that all partners attain the same level of understanding and are provided the most current and correct information.

I. Initiating Subaward Relationships

Once the ME informs a PL that his/her research application has been accepted, an inventory must be taken of all collaborating institutions requiring funds. If the PL is managing all of his subawardees at his/her own institution, procedures established by his/her institution should be followed in initiating subawards. In addition, if the following list (applicable to VT faculty) is helpful in organizing and establishing subawards, or if their procedures do not include any of these points, he/she is free to use some or all of the requirements as well. If the PL is a Virginia Tech faculty member, the following information must be provided for each subawardee:

1. The Subrecipient Data Sheet (completed and signed).
2. Contact information (name, title, mailing address, physical address, email, telephone and fax numbers) for each of the following persons at the institution:
   a. Primary researcher
   b. Signatory authority (authority who is legally authorized to sign and obligate the institution)
c. Accountant/Sponsored Programs representative responsible for managing the account

3. The agreed upon Statements of Work/Scopes of Work according to fiscal period (USAID funds are only allocated on an annual basis from October 1 to September 30) clearly specifying research tasks and expected deliverables.

4. The budget, organized according by line item and fiscal period.

5. The budget narrative by fiscal period, describing the types of purchases, services or travel, and justifying how budget amounts were derived.

6. The cost share budget (if applicable), organized according to fiscal period.

7. The latest year-end financial statement audit report (for all US institutions, IARCs, NGOs) (or the web address where it can be found). If the host country institution has received $500,000 or more of US government funds per annum, the host country must also submit its most recent external audit statement for their financial records.

8. The latest Negotiated Indirect Cost Rate Agreement (NICRA) or similar document (or the web address where it can be found), where applicable. All US universities should have one and many other international institutions do as well. This document would provide the basis and authority for an institution to charge indirect and/or fringe benefits. Most host country institutions would not have one and their “indirect” should be the equivalent of an “administrative fee” and should not exceed 10 percent of MTDC. Few host country institutions charge fringe benefits.

9. Copies of the attached forms, (Attachments A-D) completed and signed. Notice some are applicable only to US institutions, while others are applicable to host country institutions. Some may be applicable to both.

10. For Host Country partners, a Memorandum of Understanding (MOU) must be established between the lead institution and the host country institution. A Microsoft Word sample document of an MOU has been prepared and can be found in Attachment E. The host country institution must complete the section naming their authorized officers who will sign the MOU. At least three copies should be completed, signed and returned to the PL or lead institution. Then the lead institution will obtain its appropriate signatures and send a fully signed copy to the host country institution for their files.

II. Setting up the Subaward Contract

Once the PL or lead institution has received all of the required documents, a subaward document is prepared by the applicable PL’s institutional Office of Sponsored Programs/Contracts and Grants. That subaward document is sent to the subawardee for signatures and return.

In addition to the signed award documents, the subawardee must provide the applicable information for wire transfers (if this is the mode of payment). This information must include the name and address of the bank, the name on the bank account, the bank account number, the Swift code or routing number and, if possible, a contact person at the bank whom we could contact if problems arise with transfers.
III. Cost Share

US and international institutions are required, unless otherwise notified, to provide a 25 percent cost share/matching commitment. Matching is not required for the following components of awards:

- Host country institution expenditures;
- Training of host country researchers (if this is excluded, it is mandatory that accurate accounting records are maintained to clearly separate and identify these costs);
- Hospital and medical costs of US personnel of the CRSP while serving overseas

IV. Indirect Costs

Indirect, or Facilities and Administrative (F&A), costs can be claimed by US institutions, IARCs and NGOs, provided they have a Negotiated Indirect Cost Rate Agreement (NICRA) or another form of agreement that USAID accepts in lieu of the NICRA. The Management Entity of IPM CRSP limits the indirect rates to the LESSER of federally negotiated off-campus research rates or 30%. All indirect charges are based on Modified Total Direct Costs (which excludes equipment and tuition). Other types of expenses may also be excluded, depending on the stipulations of the NICRA of the institution.

Depending on the NICRA provisions, PL institutions may take indirect on the first $25,000 of expenditures of their US, IARC or NGO subawardees. The Management Entity of IPM CRSP prohibits indirect from being charged on any expenses of their host country subawardee institutions. If they cannot comply with this requirement, Virginia Tech will assume the role of awarding subcontracts to all of the intended subawardees of the PL institution.

Host Country institutions, themselves, also cannot charge “indirect”. They are permitted to charge an administrative fee of no more than 10%. And, similar to US institutions, the administrative fees should be charged on Modified Total Direct Costs (excluding equipment and tuition).

Cash Advances, Invoicing, and Reimbursements

All payments to collaborating institutions are contingent upon satisfactory progress toward achieving the planned Statement/Scope of Work objectives as attested to by the PL, and the following of proper invoicing procedures. To meet these ends, in addition to a review of the invoice being performed by the responsible accounting person, all invoices should be reviewed by the PL to ensure that:

a) expenditures shown follow the statement of work;
b) expenditures are properly allocable to the project work; and
c) any expenditures related to chemicals or other materials are in line with existing PERSUAPs.

I. Cash Advances

The IPM CRSP operates on a cost-reimbursement agreement basis, which means allowable and reasonable costs incurred by a prime awardee in the performance of the subaward agreement are
reimbursed in accordance with the terms of the contract. USAID does not send funds to VT prior to the start of a contract.

In the same manner, PL institutions should operate on a cost reimbursement basis with their subawardees. Invoices should be submitted by the subawardees, reviewed by both the PL and the responsible accounting person, and then, upon approval, submitted for reimbursement.

However, host country institutions may need cash advances when they first start a project, due to lack of existing funds in the institution. The PL institution can send a cash advance based on a request from the primary researcher. However, care should be taken not to advance more than 25% (50% maximum) of the annual budget. Fiscal responsibility demands that cash advances be limited. Because of the need to “pull back” the money, if something adverse were to happen with the subawardee (non-performance, non-compliance, civil unrest in the country, fraud, etc.), large amounts will be much more difficult to retrieve. PL institutions are responsible for accounting for all dollars allocated to them, including their subawardees’ budgets. VT ME, as a matter of practicality, usually limits cash advances to no more than 30% of the current annual budget planned for the host country institution.

Cash advances can be handled one of two ways:

1) A cash advance for a certain amount can be sent to the HC at the beginning of the project. Then when the HC submits invoices from that point forward, all of the invoices can be reimbursed on an invoice-by-invoice basis. The maximum reimbursement total, of course, would be the budget allocated to that point minus the amount provided for in the cash advance. Toward the end of the project, but prior to the very last invoice, the HC can submit invoices showing expenses that will be “matched” or reconciled to the cash advance. The HC would not be reimbursed for those expenses because they would count as being “reimbursed” by the cash advance.

2) A cash advance can be sent to the HC. Subsequently, the HC sends an invoice or invoices which are reconciled to that cash advance. Once that cash advance is reconciled, another cash advance can be sent, with subsequent invoices matched to it, and so on, up to the maximum amount (the allocated budget amount to date).

*All cash advances must be invoiced and reconciled prior to closing out any subawardees’ accounts.*

II. **Invoices**

Invoices from subawardees MUST be submitted on a timely basis, whether it’s the PL institution or the subawardees who invoice directly to the Management Entity. This means that invoices should be submitted **NO LESS FREQUENTLY than once a quarter** and **NO MORE FREQUENTLY than once a month**. If no expenses were incurred within a 3-month period, then a “no expenses invoice” must be submitted for that period.

Invoicing on a regular basis helps the ME to prepare the appropriate reports to USAID and shows continual spend down of USAID funds. Long periods without invoices could indicate to USAID that funds aren’t as needed as requested in budgets, which could cause USAID to reduce funding in subsequent
years. In addition, infrequent or non-existent invoices will prevent allocations in future years from the ME to the subawards. In order to receive the next year’s planned budget allocation, a subaward must have invoiced approximately 90% of their current budget-to-date. Prolonged non-invoicing may lead to having a subawardee’s intended funding be redirected to another purpose.

All invoices are to be submitted on a line-item basis. Separate invoice templates have been developed for US institutions (which also apply to IARCs and NGOs) and Host Country institutions (see Attachments F & G). **We will also be putting the invoice templates on the website or we can send you the templates as e-mail attachments.** However, items common to BOTH US and HC institutions are:

- **Subgrantee Institution**: Name of institution submitting invoice
- **Subgrantee Address**: Address of institution submitting invoice
- **Invoice Date**: Date invoice was prepared
- **Invoice Number**: Number of invoice. Invoices can use any numbering system, but must proceed consecutively from one to the next.
- **Invoice Period**: The From Date, on the first invoice, should reflect the subaward beginning date; on consecutive invoices it should always be the next day subsequent to the last date of the invoice period on the preceding invoice. For example, let’s say that invoice #1 begins October 1, 2009 and runs through November 15, 2009. Invoice #2 would begin November 16, 2009. There should be no gaps between invoice periods and no overlaps from one invoice to the next.

**A. US invoices**

The following line items are detailed on the US invoices:

1. **Salaries and Wages** – includes clerical, faculty, graduate assistantships, wages. Any expenses in this category should be based on what was included in the final approved budget and explained in the budget narrative.

2. **Fringe Benefits** – includes fringes on clerical, faculty, graduate and wage positions. Any expenses in this category should be based on what was included in the final approved budget and explained in the budget narrative.

3. **Travel** – divided into International and Domestic. All international travel must be pre-approved and must have a travel approval number **(see information later in this document on International Travel)**. In addition, the trip information must be input into the second tabbed worksheet of the invoice Excel file (the tab entitled “Invoice Detail”).

4. **Equipment** – if something is purchased and classified as equipment, information concerning this equipment item must be input into the second tabbed worksheet of the invoice Excel file (the tab entitled “Invoice Detail”).

5. **Supplies**

6. **Contractual Services** – generally used for such items as telephone, fax, mail, courier services, internet service, and printing. This could also be used for other individuals or companies “outside” of the institution employees who are providing a service.
7. **Subcontracts** – divided into International and Domestic. All subcontract expenses must be detailed by subawardee name on the 2nd tabbed worksheet of the invoice Excel file (the tab entitled “Invoice Detail”). That section also provides places to input how much indirect is taken by the PL institution on the expenses of the US subawardee invoiced amounts. This section must be completed prior to payment of the invoice.

8. **Tuition**

9. **Other Direct Costs** – should only be used for those costs that do not fit into any of the other categories of the invoice. These items would have also been budgeted in this category as well.

10. **Total Direct Costs** – sum of all items 1-9 (calculated by the worksheet formulas).

11. **Indirect Costs** – indirect rate multiplied by Total Direct Costs MINUS equipment, tuition, and international subcontracts. (After the PL institution has reached its maximum allowable indirect on the US institutions, this line item must be excluded from indirect calculation as well.)

12. **Total Expenses** – sum of Total Direct Costs and Indirect Costs

**Cumulative Amount Invoiced** should reflect the sum of the current invoiced amount PLUS the cumulative amount invoiced from the previous invoice. On the first invoice, of course, both columns will be equal. From invoice 2 forward, the cumulative amount from the prior invoice is added to the current invoice.

**Submitted By** should contain the name of the person who prepared the invoice and the date.

The **Authorizing Signature** should reflect the signature of the person authorized to sign invoices on behalf of the institution and the date. The person’s title should be entered underneath the signature.

**Spending by Country** should show a breakdown of expenses made by the institution based on which countries were benefitted. **At least 50 percent of IPM CRSP funds must be expended IN OR ON BEHALF OF host countries or regions.** To this end, expenditures that are made by US institutions, IARCs or NGOs, can be classified as benefitting host countries. For example, travel to host countries, supplies purchased to work on a specific country’s program, shipment of items or documents to or from a host country, host country subcontract expenditures, tuition for a host country student, graduate student assistantships for a host country student, etc. are all examples of items that can be shown and identified as benefitting host countries. The specific countries must be listed separately (replace the words “Country 1” and “Country 2”, with the amount of expense beside each one and the cumulative amounts spent to date. If additional countries are needed, more lines can be added to the invoice format. Generally, an easy rule of thumb for US expenses is that indirect taken can be claimed as US expense, but all others could be classified as benefitting host countries, depending on what they are. USAID prefers individual countries to be listed, rather than entire regions, whenever possible. Their reporting requirements are based on individual countries. Please note that the Totals in both columns of this section must match the totals of the operating invoice in the corresponding columns.
**Cost Sharing** shows the amount of cost share that has been expensed, both for the current invoice period and cumulatively. The words “Cost Share Item 1” and “Cost Share Item 2” should be replaced with the appropriate line item category (such as Salaries & Wages, Fringes, Tuition, Indirect, etc.) More lines may, again, be added, if necessary. Cost share should be expensed at regular intervals, so that no point is reached where most of the operating budget has been invoiced, but only a small portion of the cost share expense has been shown. The VT Office of Sponsored Programs will question this situation and may withhold reimbursement of invoices until the cost share reporting is “caught up”.

B. **HC invoices**

The line items are basically the same as the ones in the US invoice template. The only change is that the “Subcontractors” line item is not separated into International and Domestic (because HC very seldom have subcontractors of their own and, when they might, they would likely be international). The term “Indirect” is replaced by “Administrative Fee”. The data entry begins with the first tabbed worksheet in the Excel file, called the “Detail Entry Form”. (In the attachment, it’s the 3rd sheet.)

All US lead institutions who issue Host Country subawards should request copies of receipts for all of the expenditures claimed on each invoice. This assists in confirmation that the HC subawardees are making proper, allocable, relevant and appropriate charges. Because many HC institutions do not have regular audits, this provides an extra measure that IPM funds are not being spent on items that have no relevance to the project and that the expenditures do follow the tasks assigned in the workplans. Audits can be mandated by USAID of subrecipient expenditures and having copies of receipts can alleviate burdensome research and can show strong internal controls and compliance measures.

The substantive changes include:

1. Three tabbed worksheets, instead of two.
2. The first tabbed worksheet, the “Detail Entry Form” is where most of the data is input. All of this data is carried forward to the “Invoice” worksheet so that the only inputs on the “Invoice” worksheet should be signatures and dates.
   a) All of the input boxes on the “Detail Entry Form” are highlighted/infilled in pale yellow.
   b) Detailed step-by-step instructions are in bold red, starting at the very top left of the page. Each step should be followed carefully.
   c) Please note that Cumulative Totals from the previous invoice must be input on the right hand side, in the proper line item category.
   d) The Exchange Rate must be input (Item I, cell H10) or the invoice will only show amounts in the host country currency (which will not be paid).
   e) The Administrative Fee Rate (cell L30), and the Categories to be selected for the expense types (column H) are all “drop down” boxes. If you click on the down arrow on each of those cells, you will be given choices. For the Administrative Fee Rate,
the choices range from 0.0% to 10% (10% is the maximum allowed). The rate chosen must match the rate in the approved budget. The categories match the invoice and budget categories.

f) The Receipt Numbers are consecutive and all receipts submitted must follow the same order as input into this form. The amount of the receipt (in host country currency) is input in column G, under “Amount”, and a description, in ENGLISH, is input into Column I, “Brief Description”. The description should provide information concerning what was purchased, the actual receipt number or invoice number, and, if appropriate, the purpose (for example, why was travel taken, destination, etc.). Descriptions should be brief and can contain abbreviations. If more space is needed, the next line can be used. (200 lines are provided for input of receipts and descriptions.) The actual date of the receipt should be input into Column K, “Date.”

3. The second tabbed worksheet, the “Equip-Int’l Travel Detail” is to be completed when a piece (or pieces) of equipment are purchased with costs of $5,000 or more per piece or international travel has been taken. Any equipment purchases must have been included as a part of the approved Statement/Scope of Work. The International Travel Detail should be used to list the details of any travel taken outside the home country. International travel must be pre-approved by the Management Entity and the destination country must have been submitted as a part of the travel matrix sent to USAID for approval, prior to the start of the workplan year. (Further details on equipment and international travel can be found below.)

4. The third tabbed worksheet, the “Invoice” will automatically be filled with information from the “Detail Entry Form”. No information should be typed or entered onto this sheet, except for signatures and dates to be applied under the invoice table.

Equipment

In accordance with 22 CFR 226, “equipment” is defined as “tangible, non-expendable, personal property, including exempt property charged directly to the award, having a useful live of more than one year, and an acquisition cost of $5,000 or more per unit.” US Program Lead institutions may have a more narrow definition and dollar threshold as defined in the university rate agreement, but no higher dollar threshold may be used. (For example, VT defines “equipment” as property costing $2,000 or more; another university may use $4,000. However, if the institution’s threshold in their policies is higher than $5,000, then all purchases $5,000 or greater must be reported as equipment on an invoice. In the absence of a formal equipment policy, Host Country institutions may use the $5,000 threshold as well.)

Any equipment purchased which meets that $5,000 definition, must have been pre-approved by being included in the workplan reviewed and approved by USAID prior to the beginning of the workplan year. Equipment purchases not pre-approved will not be reimbursed.

All equipment purchased must contain at least 50% US componentry to comply with federal guidelines.
Travel

Travel includes both domestic and international and includes such items as lodging, per diems (meals & incidental expenses), transportation, fuel for vehicles (primarily in host countries), and drivers (primarily employed by host country institutions), and can also include workshop or meeting-related expenses (rental of rooms, preparation of break foods or meals, lodging for participants, etc.).

A. International Travel

Program Leaders at all lead institutions are required to submit a list of planned INTERNATIONAL trips and destinations for their programs prior to the beginning of each program year. This list should encompass all destinations for his/her own institutional collaborators, as well as all other US and host country subawardees/collaborators working with them on the program. International travel is any travel outside the borders of the scientist’s home country (meaning that travel within a region, such as West Africa, would be considered international if the scientist is from Mali and is planning to go to Senegal or Guinea.) The ME assembles all of the travel information into a “Travel Matrix” and submits it to USAID for review and approval. Justifications may be required by the ME at any time for any travel, either prior to submission to USAID, or after review by USAID. Once the Travel Matrix is approved by USAID, PLs are notified and collaborators can begin traveling.

Prior to the actual departure for a trip (at least 30 days), all collaborators must submit an “International Travel Request” form to the Management Entity (see Attachment H. This form can also be found on our website or can be e-mailed to you.). This form details the dates, the destination, and the purpose(s) of the trip, along with contact information in country. The ME reviews the information on the form, validates the purpose, and matches the requested destination to the travel matrix to ensure that it was on USAID’s approved matrix and that the number of trips has not been exceeded. If approved, the Program Director (or delegated representative) signs the form and assigns an Approval Number. A copy of the signed and numbered form is returned to the traveler. Any invoices submitted by the traveler’s institution which claims any expenses related to this trip, must have the travel detail information completed, along with the assigned travel approval number. If a trip has NOT been pre-approved in this manner, or is not reported correctly on the invoice, the traveler may be denied reimbursement.

B. Fly America

Anyone whose air travel is financed by US government funds, must use United States flag air carriers. In addition to US airlines (such as American, United, Northwest, etc.), US flag air carrier service also includes service provided under a code share agreement with a foreign air carrier in accordance with Title 14, Code of Federal Regulations when the ticket, or documentation for an electronic ticket, identifies the US flag air carrier’s designator code and flight number.

Travelers are required by the “Fly America Act” to use US flag air carrier service for all air travel funded by the US government, unless one of the exceptions are met. The list of exceptions can be
found on the website listed below. Foreign air carrier service may NOT be used solely based on a cost difference. All travel where a US airline or code share is not used must be fully documented as to the reasons.

Detailed information on this requirement may be found at the following website URL address: http://www.tvlon.com/resources/FlyAct.html

C. TraiNet

ADS 252 provides policy directives and required procedures related to visa compliance for foreign nationals who are traveling to the United States for any purpose, including "Invitational Travel" (ADS 522.5.12) and "Participant Training" (ADS 253) and are financed, in whole or in part, directly, or indirectly, by USAID. For a copy of this ADS, please contact the Management Entity and a copy will be emailed to you.

In information sent to Virginia Tech in 2009, USAID made the following distinctions for use of TraiNet:

A “participant” is defined in ADS 252 and 253 as:

"An eligible host country resident or national sponsored by USAID for a learning activity conducted within the U.S., a third country, or in-country for the purpose of furthering USAID development objectives. A learning activity takes place in a setting in which an individual (the Participant) interacts with a knowledgeable professional predominantly for the purpose of acquiring knowledge, skills, or information for the professional or technical enhancement of the individual. Learning activities may be formally structured, such as an academic program or a technical course, or they may be more informal, such as an observational study tour.” (italics added by the Management Entity)

The key words are “learning activity”. If an individual is traveling to the US for the purpose of attending a seminar, workshop or formal training course and they are funded by USAID in whole or in part, they are participants and should travel on a J-1 visa, obtained through the TraiNet process. If they are traveling as part of an invitational study tour, or if they are traveling to participate in a degree or non-degree program at a US university or at a training site, they should travel on a J-1 visa.

On the other hand, if the person is traveling as part of their employment-related duties to undertake the review of a scope of work, to draft a scope of work or other proposal, to review individuals to hire as part of the award, to discuss program budgets or other management issues, they are not participants and should travel on a B visa.... The travel of individuals to manage the business part of CRSP activities should be undertaken on a B visa.
Subrecipient Monitoring

The IPM CRSP is a multi-institutional, multi-million dollar project bringing together more than 100 institutions in the US and in developing countries to develop programs which will provide long-term agricultural, social, economic, and environmental benefits for countries around the world. Virginia Tech is the prime award recipient and is the Management Entity, holding responsibility for the overall technical and fiscal success and accountability for the award.

The federal government requires prime recipients of federal awards to ensure that all secondary recipients, or “subrecipients”, are in compliance with all audit requirements. As part of the compliance requirements, OMB Circular A-133 regulations must be followed. Therefore, VT has developed the following processes to ensure, to the best of its ability, that subrecipients also comply with all requirements.

1. Special subaward and invoicing templates were developed, one for US institutions and one for host country institutions, to address the different reporting requirements from USAID. These invoicing templates, along with the prime award, the special terms and conditions for non-US participants, the official CRSP guidelines (provided by USAID and its monitoring agencies), the IPM CRSP Policies and Procedures (POPs) manual, and other guidelines provided by the ME, are made available through the website or via emails, courier service, or faxes, to all participants.

2. All US institutions expending $500,000 or more per fiscal year in federal funds are required to have an audit performed. Virginia Tech requires subrecipients to submit copies of their most recent audit reports and these will be reviewed for any material weaknesses and subsequently monitored for corrective action.

3. Receipts and all relevant documentation are required to be maintained by each subrecipient for four (4) years from the end date of the subaward for possible future audits.

4. A formal subcontract document is issued to each partner and must be signed and returned to VT (as well as a copy kept by the subawardee). In addition, the subrecipient is provided with all the appropriate federal regulations.

5. Invoices are submitted to the Management Entity for initial review for appropriateness of billed items based on activity performed for the period, as well as matching to the budget (to ensure appropriate line items are billed and that overspending is monitored and corrected). In addition, for those subawardees whose “lead PI” is on campus or at another institution, and for whom, the ME is processing invoices, copies of invoices are forwarded to the lead PIs for review. Any discrepancies, errors, or other problems are reviewed with the institution and necessary corrections are made prior to submission to the Office of Sponsored Programs. If equipment is billed, the necessary documentation is requested. Cost sharing, a requirement of the award (for US institutions only), should be reported on each invoice. A failure to produce required documentation or correction may result in non-reimbursement of the invoice(s).
Host country institutions must submit with each invoice, copies of all of the receipts showing expenses they have made. Invoices will not be forwarded to the next step without copies of these receipts. They are reviewed by the Management Entity, matched to the invoice detail, and questioned if there are discrepancies or errors. Receipt descriptions are listed for each receipt on the detail page of the invoice and must be in English. The currency conversion rate being used for the invoice must be clearly stated.

Host country institutions do not charge “indirect”, because they seldom have any formal arrangements or documents allowing that type of charge. However, they are allowed to charge an “Administrative Fee” to help offset the costs of the accounting requirements, processing invoices, and receipt filing and retention. This was approved, in advance, by the IPM CRSP Board of Directors, of which USAID is a member.

6. Invoices are forwarded to the Office of Sponsored Programs, where the invoice is reviewed again. The indirect and fringes billed are proofed in accordance with the institution’s rate agreement and approved budget. Any discrepancies are investigated, and, if necessary, corrected, prior to submission for payment.

7. Cash advances are provided, when requested, to host country institutions. These institutions are in developing countries, where they seldom have funds on hand to purchase items or pay for services “up front” and wait for reimbursement. The usual practice is to provide an initial cash advance, in an amount determined by the ME, working with the institution. This initial advance helps the institution to begin activities. Subsequently, the institution submits invoices, for which it is reimbursed. Then sometime toward the end of the final year of the subaward, if not sooner, the institution submits invoices which account for the spending of the advance. All advances are required to be reconciled prior to the last invoice submitted on the project.

8. Spreadsheets are maintained by both the ME and OSP to assist in tracking expenditures against budgets, invoiced amounts, cash advance amounts and their reconciliation progress, and other items required for accurate reporting to USAID and other entities.

9. For U.S. institutions partnering with Virginia Tech and issuing host country subawardees, VT strongly encourages the institution to require receipts submittals for all host country invoices to ensure proper accounting of federally expensed funds.

For further questions about these issues or others, feel free to contact the Management Entity office at 540-231-3513 or 540-321-3516 or via e-mail at “ipmcrsp@vt.edu”. The fax number is 540-231-3519.